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BEFORE THE ARIZONA CORPORATION COMMISSION

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ARIZONA CORPORATION COMMISSION
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BOB STUMP - Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

IN THE MATTER OF THE APPLICATION OF
NEW RIVER UTILITY COMPANY, AN
ARIZONA CORPORATION, FOR A
DETERMINATION OF THE FAIR VALUE
OF ITS UTILITY PLANT AND
PROPERTY AND FOR INCREASES IN
ITS WATER RATES AND CHARGES FOR
UTILITY SERVICE BASED THEREON.

DOCKET NO. W-01737A-12-0478

NOTICE OF FILING REBUTTAL
TESTIMONY OF RAY L. JONES

Attached hereto is the pre-filed Rebuttal Testimony of Ray L. Jones in the above-captioned docket submitted on behalf of New River Utility Company.

RESPECTFULLY submitted this 22nd day of July, 2013.

BROWNSTEIN HYATT FARBER SCHRECK LLP

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ORIGINAL and thirteen (13) copies filed
this 22nd day of July, 2013, with:

Docket Control
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

COPY of the foregoing hand-delivered
this 22nd day of July, 2013, to:

Lyn Farmer, Chief Administrative Law Judge
Hearing Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

Arizona Corporation Commission

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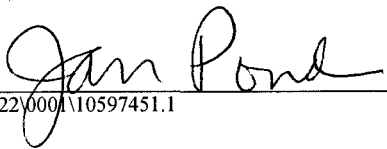
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REBUTTAL TESTIMONY OF RAY L. JONES
JULY 22, 2013

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1 **I. INTRODUCTION.**

2 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND TELE-**
3 **PHONE NUMBER.**

4 A. My name is Ray L. Jones. My business address is 25213 N. 49th Dr., Phoenix,
5 Arizona 85083, and my business phone is (623) 341-4771.

6 **Q. ARE YOU THE SAME RAY L. JONES WHO PREVIOUSLY SUBMITTED**
7 **DIRECT TESTIMONY IN THIS DOCKET?**

8 A. Yes I am.
9

10 **II. PURPOSE OF TESTIMONY**

11 **Q. HAVE YOU REVIEWED THE DIRECT TESTIMONY FILED BY**
12 **UTILITIES DIVISION STAFF IN THIS CASE?**

13 A. Yes, I have reviewed the testimony of Crystal S. Brown, Marlin Scott, Jr. and
14 John A. Cassidy filed in this case.

15 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

16 A. I will respond to the direct testimony of the Utilities Division Staff ("Staff")
17 witnesses, including their positions regarding rate base, operating income and cost
18 of capital, focusing on the points of disagreement between Staff and New River
19 Utility Company ("New River" or "Company"). Additionally, I will sponsor the
20 Company's rebuttal revenue requirement and updated schedules provided with
21 this testimony as **Exhibit RLJ-RB-1**.
22

23 **III. REBUTTAL REVENUE REQUIREMENT**

24 **Q. WHAT IS NEW RIVER'S REBUTTAL REVENUE REQUIREMENT?**

25 A. New River's rebuttal revenue requirement is shown on Schedule A-1 Rebuttal.
26 New River is now requesting a revenue increase of \$698,765, an increase of
27 55.44% over adjusted test year revenues of \$1,260,429. The reduction in revenue
28 requirement, as compared to the Company's original filing, is attributable to the

Company adopting, either in whole or in part, a number of rate base and expense adjustments recommended by Staff.

Q. WOULD YOU SUMMARIZE NEW RIVER'S AND STAFF'S REVENUE REQUIREMENT POSITIONS?

A. The proposed revenue requirements and associated rate increases are summarized as follows:

	<u>Revenue Requirement</u>	<u>Revenue Increase</u>	<u>% Increase</u>
New River Direct	\$2,347,886	\$1,087,457	86.28%
Staff Direct	\$1,582,145	\$319,717	25.37%
New River Rebuttal	\$1,959,193	\$698,765	55.44%

IV. RATE BASE ADJUSTMENTS

Q. HAVE YOU NUMBERED YOUR RECOMMENDED REBUTTAL RATE BASE ADJUSTMENTS TO CORRESPOND WITH PROPOSED STAFF RATE BASE ADJUSTMENTS?

A. Yes. Each of my proposed rate base adjustments addresses an adjustment proposed by Staff. I have numbered my rebuttal adjustments to match the proposed Staff adjustments.

Q. PLEASE SUMMARIZE THE ORIGINAL COST RATE BASE ADJUSTMENTS RECOMMENDED BY THE COMPANY?

A. New River recommended Original Cost Rate Base Adjustments:

- RB1 – Post-Test Year Plant. This adjustment accepts Staff's Adjustment No. 1 and increases the post-test year plant cost to include additional post-test year costs.
- RB2 – Inadequately Supported Plant. This adjustment partially accepts Staff Rate Base Adjustment No. 2 but proposes a lower level of plant disallowance.

- RB3 – Unrecorded Plant. This adjustment accepts Staff's Rate Base Adjustment No. 3.
- RB4 – Capitalize Expensed Plant. This adjustment accepts Staff's Rate Base Adjustment No. 4.
- RB5 – Plant Reclassification. This adjustment accepts Staff's Rate Base Adjustment No. 5.
- RB6 – Unrecorded Plant Retirements. This adjustment accepts Staff's Rate Base Adjustment No. 6 and includes additional post-test year retirements corresponding to the additional post-test year plant from Rate Base Adjustment RB1.
- RB7 – Accumulated Depreciation. This adjustment partially accepts Staff Rate Base Adjustment No. 7. The adjustment is updated for additional post-test year retirements resulting from Rate Base Adjustment RB6 and proposes an alternative for addressing over depreciation of the pumping equipment account.
- RB8 – Contribution in Aid of Construction. This adjustment accepts Staff Rate Base Adjustment No. 8 but includes minor corrections to Staff's adjustment.
- RB9 – Amortization of CIAC. This adjustment accepts the concept of Staff Rate Base Adjustment No. 9 but corrects significant errors in Staff's proposed adjustment.
- RB10 – Cash Working Capital Allowance. New River continues to request a cash working capital allowance. This adjustment updates cash working capital to reflect the impact of expense adjustments adopted by the Company.

Rate Base Adjustment RB1 – Post Test Year Plant

- Q. PLEASE EXPLAIN THE COMPANY'S RATE BASE ADJUSTMENT RB1?**
- A. Adjustment RB1 includes the cost of the replacement of well pumps and related**

1 electrical equipment at the Company's Well No. 6 and Well No. 1 in the amount
2 of \$175,113. The adjustment includes the \$84,115 for the pump replacement at
3 Well No. 6 which is addressed by Staff in its Direct Testimony and has been
4 updated to include additional costs incurred at Well No. 6 and Well No. 1.

5 **Q. HOW WAS THIS ADJUSTMENT UPDATED?**

6 A. The adjustment was updated to include \$2,029 in costs related to the motor failure
7 at Well No. 6 that occurred just after the pump was replaced. In addition, the
8 work related to the pump replacement at Well No. 1 has been included. That
9 work includes \$59,367 for the pump replacement and \$29,602 for associated
10 electrical system replacements.

11 **Q. WERE THESE UPDATED COSTS PROVIDED TO STAFF SUBSEQUENT**
12 **TO ITS FILING OF DIRECT TESTIMONY?**

13 A. Yes. The Company supplemented its response to Staff Data Request No. 8.1 with
14 the details and support for these additional costs.

15 **Rate Base Adjustment RB2 – Inadequately Supported Plant**

16 **Q. PLEASE EXPLAIN THE COMPANY'S RATE BASE ADJUSTMENT RB2?**

17 A. Adjustment RB2 is the Company's response to Staff's recommendation to
18 disallow \$222,346 in utility plant costs for which the Company was unable to
19 locate a supporting invoice. The plant in question was acquired between 2002 and
20 2006.

21 **Q. HOW HAS STAFF TREATED THIS UTILITY PLANT FOR WHICH THE**
22 **COMPANY WAS UNABLE TO LOCATE A SUPPORTING INVOICE?**

23 A. Staff is proposing a 100 percent removal of the cost of this utility plant from plant
24 in service without making any corresponding adjustment to accumulated
25 depreciation. The result is a rate base reduction that is greater than the total cost
26 of the unsupported utility plant.

27 **Q. WHAT IS THE COMPANY'S RESPONSE TO STAFF'S ADJUSTMENT?**

28 A. The Company believes that Staff's recommendation is excessive and punitive in

1 nature. The proposed adjustment is larger than the rate base created by this plant
2 and is far in excess of what is necessary to protect the Company's customers from
3 any potential harm. The Company suggests that a more reasonable approach is to
4 disallow a percentage of the plant and has disallowed 10 percent of the plant
5 balance, totaling \$22,235 original cost and \$30,737 reconstruction cost. This
6 amount is substantial and, when coupled with Staff's recommendations that New
7 River submit a plan for training and implementation of new policies and
8 procedures related to record keeping and documentation retention, is sufficient to
9 both protect customers and punish New River.

10 **Rate Base Adjustment RB3 – Unrecorded Plant**

11 **Rate Base Adjustment RB4 – Capitalize Expensed Plant**

12 **Rate Base Adjustment RB5 – Plant Reclassification**

13 **Q. PLEASE EXPLAIN THE COMPANY'S RATE BASE ADJUSTMENTS**
14 **RB3, RB4 AND RB5.**

15 **A.** These adjustments accept Staff Adjustments No. 3, No. 4 and No. 5 as proposed
16 by Staff.

17 **Rate Base Adjustment RB6 – Unrecorded Plant Retirements**

18 **Q. PLEASE EXPLAIN THE COMPANY'S RATE BASE ADJUSTMENTS**
19 **RB6.**

20 **A.** This adjustment accepts Staff's Rate Base Adjustment No. 6 and includes
21 additional post-test year retirements corresponding to the additional post-test year
22 plant from Rate Base Adjustment RB1. The portion of the adjustment labeled
23 Adj. 6a accepts Staff's proposed retirements for several items of plant as
24 presented by Staff. This portion of the adjustment totals \$45,036 original cost and
25 \$52,876 reconstruction costs. The portion of the adjustment labeled Adj. 6b
26 addresses post-test year retirements. The adjustment accepts Staff's proposed
27 retirement of the Well 6 pump and includes the retirement of the post-test year
28 Well No. 1 pump and associated electrical components. These items total

\$121,530 original cost and \$175,113 reconstruction cost.

Rate Base Adjustment RB7 – Accumulated Depreciation

Q. WHAT IS THE COMPANY'S RATE BASE ADJUSTMENTS RB7?

A. This adjustment partially accepts Staff Rate Base Adjustment No. 7. The adjustment proposed by Staff is also updated to (i) include additional post-test year retirements resulting from Rate Base Adjustment RB6, (ii) to address over depreciation of the pumping equipment account, and (iii) to properly adjust for the plant reclassification in Rate Base Adjustment RB5. For clarity the adjustment has been separated into five components, as follows:

Adj. 7a – A/D Related to Unrecorded Plant

Adj. 7b – Staff Identified Retirements

Adj. 7c – Post-Test Year Retirements

Adj. 7d – Pumping Equipment Accumulated Depreciation Restatement

Adj. 7e – A/D Related to Plant Reclassification

Q. PLEASE EXPLAIN THE COMPANY'S RATE BASE ADJUSTMENT OC-RB7a.

A. This adjustment accepts Staff's proposed adjustment for accumulated depreciation on unrecorded plant associated with Adjustment RB3 in the amount of \$100,214 original cost and \$144,657 reconstruction cost.

Q. PLEASE EXPLAIN THE COMPANY'S RATE BASE ADJUSTMENT OC-RB7b.

A. This adjustment accepts Staff's proposed adjustment for unrecorded retirements included in Adjustment RB6a in the amount of \$45,036 original cost and \$52,876 reconstruction cost.

Q. PLEASE EXPLAIN THE COMPANY'S RATE BASE ADJUSTMENT OC-RB7c.

A. This adjustment accepts Staff's proposed adjustment for post-test year retirement of the Well No. 6 pump at \$58,659 original cost and \$84,115 reconstruction cost.

1 The adjustment also includes an additional \$62,870 original cost and \$88,969
2 reconstruction costs for the post-test year retirement of the Well No. 1 pump and
3 electrical equipment.

4 **Q. PLEASE EXPLAIN THE COMPANY'S RATE BASE ADJUSTMENT OC-**
5 **RB7d.**

6 A. This adjustment is proposed to address over depreciation of pumping equipment,
7 plant account No. 311.

8 **Q. WHY IS THE PUMPING EQUIPMENT ACCOUNT OVER**
9 **DEPRECIATED?**

10 A. The pumping equipment account is over depreciated because the depreciation rate
11 recommend by Staff and applied to the account in the Company's last rate case
12 did not match the actual expected lives of New River's pumping plant. The rate
13 Staff recommended in New River's last case, and continues to recommend in this
14 case, is 12.5% per year. At that rate, pumping equipment becomes fully
15 depreciated in just eight years. This is much shorter than the average life of
16 equipment typically accounted for in the pumping equipment account.

17 **Q. WHAT ITEMS OF PLANT ARE ACCOUNTED FOR IN THE PUMPING**
18 **EQUIPMENT ACCOUNT?**

19 A. Pumping equipment includes not only pumps, but also motors, electrical gear,
20 piping, shut-off valves, automatic control valves, meters, oiling systems,
21 foundations, pipe supports, and other appurtenances. For example, at a typical
22 New River well site the pumping equipment would include the pump itself, a steel
23 strainer attached to the pump, 600 to 800 feet of steel column piping, 600 to 800
24 feet of steel oil tube, 600 to 800 feet of steel line shaft, line shaft bearings, a
25 concrete pump slab, a motor, a motor control center, electrical wiring, a steel
26 discharge elbow, steel or ductile iron discharge piping, an automatic control valve,
27 a meter, an air release valve, gauges, pipe supports and other appurtenances.
28 Similarly a booster station would have a number of pumps, but also motors, motor

control centers, extensive amounts of steel or ductile iron piping, shut-off valves, control valves, air release valves, pump foundations and slabs, pipe supports and other appurtenances.

Q. WHAT IS THE EXPECTED LIVES OF THESE ITEMS OF PLANT?

A. It varies by the type of item. Most above-ground steel and ductile iron piping will have a life of 40 years. Large valves have lives of between 20 and 40 years with smaller valves having lives of 10 to 20 years. Larger motors may remain in service for 20 years with smaller motors having lives of between 10 to 20 years. Motor control centers and wiring have service lives of 15 to 40 years. Down-hole steel piping such as column pipe and oil tube has a life of between 15 and 30 years with the piping above the water level serving longer than that below the water level. Concrete pump slabs and pipe supports will remain in service throughout the life of the facility. The only items of pumping equipment that have a relatively short life are the pumps themselves. Well pumps typically have lives of between 5 and 12 years depending on the size and service requirements. The two New River well pumps replaced post-test year were 9 and 13 years old for an average age of 11 years

Q. CONSIDERING THE LONG LIVES OF MUCH OF THE PLANT INCLUDED IN NEW RIVER'S PUMPING EQUIPMENT, WHAT DEPRECIATION RATE SHOULD HAVE BEEN USED?

A. My analysis indicates that a rate of 5.0% would have been appropriate for New River based on a composite average service life of about 20 years.

Q. WHAT DOES STAFF STATE AS THE CAUSE OF NEW RIVER'S OVER DEPRECIATION IN THE PUMPING EQUIPMENT ACCOUNT?

A. Staff attributes the over depreciation to New River's use of group method of depreciation.

Q. HOW DO YOU RESPOND TO STAFF'S CLAIM?

A. Staff's contention has no merit. New River does use the "group method of

depreciation,” which should be more completely described as applying the straight-line method of depreciation using a broad group procedure. This is the method usually used for utility depreciation and has been used in every rate case I have ever been involved in without objection from Staff. The over-depreciation of New River’s pumping plant is the result of the use of an excessive depreciation rate that is not well matched to the underlying asset life. It has absolutely nothing to do with the depreciation method used. This fact is clear with only a casual examination of New River’s situation. New River is a young company with relatively new assets. Both of its booster stations and all of its wells were initially placed in service between 1997 and 2002. These are new facilities with many years of useful life remaining. Using a depreciation rate of 12.5% causes every single component of pumping equipment at these facilities to be fully depreciated by 2010. It doesn’t matter and makes no difference at all how the assets are grouped; at a 12.5% depreciation rate, regardless of grouping procedure, every single part of pumping equipment installed between 1997 and 2002 becomes fully depreciated in 2010, well before the end of the plant’s actual asset life.

Q. WOULD YOU COMMENT ON STAFF’S ANALYSIS AND COMPARISON OF THE GROUP METHOD AND STAFF’S PROPOSED VINTAGE YEAR GROUP METHOD?

A. Only briefly. First, to clarify, what Staff is recommending is more completely described as applying the straight-line method of depreciation using a vintage year group procedure. Their comparison of the two methods is based on the false premise that use of the broad group procedure causes over depreciation. Over depreciation is caused by depreciation rates that are not well matched to asset lives—grouping has nothing to do with the problem. Because Staff’s analysis is built on a fundamentally flawed premise, Staff’s discussion of the purported flaws of using the group procedure should be rejected in its entirety. Accordingly, I will not address the numerous specific errors and false conclusions in the presentation.

1 **Q. DOES THAT MEAN THE VINTAGE YEAR GROUP PROCEDURE HAS**
2 **NO MERIT AND SHOULD NOT EVER BE USED?**

3 A. No. It can be useful in certain situations and I believe it can be useful in
4 addressing New River's over depreciation caused by the historic use of an
5 excessive depreciation rate. However, its use is recommended by Staff for the
6 wrong reasons, and as proposed by Staff, doesn't solve the problem.

7 **Q. WHAT IS THE FLAW IN STAFF'S RECOMMENDATION?**

8 A. Staff's recommendation does not address the underlying problem of an excessive
9 depreciation rate. Under Staff's recommendation, the base on which depreciation
10 is calculated drops dramatically because the earlier vintage years are prematurely
11 fully depreciated. This dramatically lowered the depreciation base and causes a
12 lower depreciation expense to be calculated even when the excessive 12.5%
13 depreciation rate continues to be used. The result is that new items of pumping
14 plant will be depreciated over eight years instead of one or two years assuming the
15 broad group procedure is left in place. That's an improvement, but only a partial
16 fix. Eight years is still much shorter than the actual underlying asset lives and will
17 continue to cause New River to over depreciate. The problem gets even worse if
18 New River constructs new plant. For example, assume New River constructed a
19 booster pumping station next year with \$500,000 in pumping equipment. The
20 composite life of the pumping equipment in that facility would have a life of at
21 least 20 years. Under Staff's proposal, New River's depreciation expense would
22 skyrocket upward by \$62,500 per year, and the new booster station would be fully
23 depreciated in 8 years, over two decades sooner than it should be.

24 **Q. HOW DO YOU PROPOSE TO FIX NEW RIVER'S OVER**
25 **DEPRECIATION OF THE PUMPING EQUIPMENT ACCOUNT?**

26 A. I propose a three-step approach to fixing the problem. First and foremost, the
27 depreciation rate must be significantly lowered on a going forward basis to be
28 more consistent with the underlying plant lives. Without making this fundamental

change, it is impossible to stop over depreciation in the long run.

Q. WHAT ELSE NEEDS TO BE DONE?

A. The next challenge is to reset the depreciation base on which the annual depreciation expense is calculated. This is necessary to bring the annual depreciation expense more in line with the true annual cost of service and to prevent over depreciation of newly constructed assets.

Q. WHAT IS THE TRUE ANNUAL COST OF SERVICE RELATED TO DEPRECIATION OF NEW RIVER'S PUMPING EQUIPMENT?

A. If New River had been authorized a 5.0% depreciation rate in its last rate case, none of its pumping equipment vintage years would be fully depreciated and the resulting depreciation expense in this case would be \$48,946. That is the true annual cost of the pumping equipment being used today to provide service to New River's customers.

Q. WHAT IS THE SECOND STEP OF YOUR RECOMMENDATION?

A. As noted by Staff, one way to lower the depreciation base is to switch to calculating depreciation using the vintage year group procedure. I am reluctantly recommending this change for New River to address a specific problem in this case related to the historic use of an excessive depreciation rate in the pumping equipment account. However, to be clear, I am recommending the change only for the pumping equipment account and only to address historic over depreciation. I do not agree with Staff's analysis, and I believe that the broad group procedure should be the preferred procedure normally used by Arizona water utilities. When the right depreciation rates are applied, the broad group procedure works well. It also has the advantage of being simple to understand and it is easier to administer than the vintage year group procedure.

Q. WHAT IS THE FINAL STEP IN YOUR RECOMMENDATION?

A. The final step is to address, to the extent possible, the historic over depreciation in the pumping equipment account. Staff addresses this issue by restating

1 accumulated depreciation expense for pumping plant booked in 2003 through
2 2011 to increase the depreciation base. At Staff's 12.5% depreciation rate, the
3 resulting depreciation expense for the pumping equipment account is \$17,233,
4 still well below the true annual cost of \$48,946. I am recommending a more
5 significant restatement of the depreciation base. My recommendation is to restate
6 the accumulated depreciation for all pumping equipment added subsequent to the
7 previous test year ending December 31, 2000. I propose to calculate the
8 restatement at the 5.0% rate that my analysis indicates is the appropriate rate for
9 this group of assets. This restatement captures significantly more pumping
10 equipment in the restatement than does Staff. It also captures a better mix of
11 pumping equipment, including some piping, valves, motors and other long-lived
12 assets installed in 2001. In comparison, Staff's restatement captures only recent
13 pump replacements.

14 **Q. DOES YOUR RESTATEMENT VIOLATE SOUND REGULATORY**
15 **PRINCIPLES?**

16 A. No. Like Staff, I have not included any plant included in rate base during the last
17 case in my restatement. All plant existing at test year end 12/31/2000 is
18 depreciated at the rate of 12.5% authorized in the last rate order, so as with Staff's
19 restatement, regulatory integrity is maintained.

20 **Q. HAVE YOU PREPARED A SCHEDULE SHOWING YOUR PROPOSED**
21 **RESTATEMENT OF ACCUMULATED DEPRECIATION?**

22 A. I have prepared Schedule B-2.1 Restated which is included with the standard
23 filing schedules attached as Exhibit RLJ-RB-1. This schedule separates the
24 accumulated depreciation calculation for the pumping equipment account. The
25 pumping equipment included in the last rate case is calculated at the 12.5% rate
26 and the pumping equipment added since the last case is calculated at a 5.0% rate.
27 This restatement also captures accumulated depreciation on the reclassified plant
28 from Company Adjustment RB5.

1 Q. WHAT IS THE RESULTING ADJUSTMENT TO ACCUMULATED
2 DEPRECIATION?

3 A. As shown on Rate Base Adjustment OC-RB7, Adj. 7d, the required adjustment is
4 a \$140,444 decrease in accumulated depreciation.

5 Q. HOW DOES THIS COMPARE TO STAFF'S RESTATEMENT OF
6 ACCUMULATED DEPRECIATION?

7 A. Staff's proposed adjustment to restate accumulated depreciation is a \$38,081
8 reduction. The difference is due largely to our different approaches. However,
9 Staff's adjustment does contain errors regarding the number of years used to make
10 the restatement.

11 Q. WHAT DEPRECIATION RATE ARE YOU RECOMMENDING AND
12 WHAT IS THE RESULTING DEPRECIATION EXPENSE?

13 A. Because even after my restatement much of the long-lived pumping equipment is
14 fully depreciated, the estimated composite remaining life of the remaining vintage
15 years is only 12.5 years. Accordingly, I am recommending a depreciation rate of
16 8.0% for the pumping equipment account on a going forward basis. This results
17 in a depreciation expense of \$24,117 for the pumping equipment account. My
18 recommendation is somewhat higher than Staff's \$17,233 but still well below the
19 true annual cost of \$48,946.

20 Q. PLEASE EXPLAIN THE COMPANY'S RATE BASE ADJUSTMENT
21 RB7e.

22 A. This adjustment removes accumulated depreciation in the amount of \$2,624 from
23 the other tangible plant account consistent with the reclassification of plant to the
24 pumping equipment account in Company Adjustment RB5.

25 **Rate Base Adjustment RB8 – Contributions in Aid of Construction**

26 Q. PLEASE EXPLAIN THE COMPANY'S RATE BASE ADJUSTMENT OC-
27 RB8 FOR ORIGINAL COST?

28 A. This adjustment accepts Staff's Adjustment No. 8 in concept. Adj. 8a addresses

the AIAC balances from New River's last rate case. The Company's reduces Staff's CIAC balance by \$22,684 reflecting a Staff adjustment for refunds made and adopted in the last rate case. The Company's adjustment is \$1,157,104 as compared to Staff's adjustment of \$1,179,719. Adj. 8b addresses the AIAC related to unrecorded plant. The Company has updated the refunds paid to reflect the Company's responses to Staff Data Requests 1.10, 1.11 and 1.12. The Company's adjustment is \$772,735 as compared to Staff's adjustment of \$770,361.

Q. PLEASE EXPLAIN THE COMPANY'S RATE BASE ADJUSTMENT RB8 FOR RECONSTRUCTION COST?

A. This adjustment trends adjustment OC-RB8 to reflect the CIAC in the reconstruction cost rate base. The Company's adjustment trends the CIAC balance by plant vintage year using the Handy Whitman index for mains. I was unable to definitively determine how Staff trended the costs, but it appears as if Staff trended the original AIAC balance and the refunds separately using the refund date to trend the refunds. This is an incorrect approach. The actual CIAC balance should always be trended based on the vintage year of the underlying plant it is off-setting. The amount and date of any intervening refunds of AIAC prior to conversion to CIAC is irrelevant. The Company's adjustment is \$3,259,648 as compared to the Staff adjustment of \$4,347,289.

Rate Base Adjustment RB9 – Amortization of CIAC

Q. PLEASE EXPLAIN RATE BASE ADJUSTMENT RB9 FOR ORIGINAL COST.

A. This adjustment calculates amortization of CIAC balances resulting from Rate Base Adjustment RB8. Adj. 9a calculates the amortization for the CIAC from the last rate case and Adj. 9b addresses CIAC related to unrecorded plant.

Q. PLEASE SUMMARIZE PART A OF THE ADJUSTMENT.

In Adj. 9a, the CIAC balance from Adj. 8a is amortized over the number of

1 intervening years since the AIAC from the last case was transferred to CIAC,
2 using a half year convention. The CIAC is amortized at Company's actual
3 average composite depreciation rate over the intervening years. The resulting
4 amortization is \$222,447.

5 **Q. HOW DOES THIS COMPARE TO STAFF'S ADJUSTMENT.**

6 A. There is a large difference. Staff adjustment of \$456,192 mistakenly uses the
7 AIAC balance from the last case prior to refunds as the basis of the amortization
8 calculation rather than the ending AIAC balance that was converted to CIAC.
9 The result is a large overstatement of amortization. In addition, Staff used the
10 composite depreciation rate for 2011, rather than the average rate over the
11 intervening years to amortize the CIAC. The Company believes the average
12 composite rate is the proper composite amortization rate to use, since the resulting
13 amortization is equivalent to a contemporaneous year by year calculation.

14 **Q. PLEASE SUMMARIZE PART B OF THE ADJUSTMENT.**

15 In Adj. 9b, the CIAC balance from Adj. 8b is amortized over the number of
16 intervening years since the AIAC contract was closed and converted to CIAC
17 using a half year convention. The CIAC is amortized at the Company's actual
18 average composite depreciation rate over the intervening years. The resulting
19 amortization is \$65,756.

20 **Q. HOW DOES THIS COMPARE TO STAFF'S ADJUSTMENT.**

21 A. Again there is a significant difference with Staff's adjustment being \$45,256. As
22 with the previous adjustment, Staff mistakenly used the AIAC balance prior to
23 refunds as the basis of its amortization calculation. This results in an
24 overstatement of amortization. In addition, Staff used the specific plant account
25 depreciation rates rather than the composite rate over the intervening years to
26 amortize the CIAC. The use of a composite rate is well established as the
27 preferred method for amortizing CIAC and should be used in this case. Staff uses
28 a composite rate to calculate CIAC amortization in determining the Company's

allowable depreciation expense and should do the same in this adjustment. The Company has used the actual average composite rate over the intervening years, since the resulting amortization is equivalent to a contemporaneous year by year calculation.

Q. PLEASE EXPLAIN THE COMPANY'S RATE BASE ADJUSTMENT RB9 FOR RECONSTRUCTION COST?

A. This adjustment trends adjustment OC-RB9 to reflect the CIAC amortization in the reconstruction cost rate base. The Company's adjustment trends the CIAC amortization balance by plant vintage year using the Handy Whitman index for mains. As with the original cost adjustments, Staff uses the wrong balances in its amortization calculation and does not use a composite rate for amortization. The Company's adjustment is \$504,845 as compared to the Staff adjustment of \$935,231.

Rate Base Adjustment RB10 – Working Capital

Q. PLEASE EXPLAIN RATE BASE ADJUSTMENT RB10.

A. Rate Base Adjustment RB10 updates cash working capital to reflect the impact of expense adjustments adopted by the Company. The downward adjustment of \$9,054 results in a working capital requirement of \$87,721.

V. INCOME STATEMENT ADJUSTMENTS

Income Statement Adjustment RB1 – Accept Staff Adjustments

Q. PLEASE SUMMARIZE THE OPERATING INCOME ADJUSTMENTS RECOMMENDED BY STAFF AND ACCEPTED BY NEW RIVER IN ITS INCOME STATEMENT ADJUSTMENT IS-RB1.

A. Company Rebuttal Income Statement Adjustment IS-RB1 accepts the following Staff Adjustments:

- IS Adj. No 1 – Employee Pension and Benefits – The Company accepts a \$14,400 reclassification from Management Fees.

- IS Adj. No. 2 – Chemicals Expense. The Company accepts a \$11,957 reclassification to Contractual Services, Other.
- IS Adj. No. 4 – Office Supplies Expense. The Company accepts a \$15,466 reclassification from Repairs and Maintenance Expense.
- IS Adj. No. 5 – Contractual Services, Accounting. The Company accepts a \$2,423 reclassification to Rate Case Expense.
- IS Adj. No. 6 – Contractual Services, Legal. The Company accepts a \$16,231 downward adjustment to remove affiliate costs, unsupported costs and to normalize and capitalize certain costs.
- IS Adj. No. 7 – Contractual Services, Management Fees. The Company accepts a \$75,000 reclassification of costs to other expense accounts.
- IS Adj. No. 8 – Contractual Services, Water Testing. The Company accepts a \$10,600 cost in this account for water testing. The Company notes, however, that the \$47,950 reclassified from Contractual Services, Other and subsequently off-set with a \$47,950 reduction is for the incorrect amount. The correct reclassification and off-set is discussed in Company Rebuttal Adjustment IS-RB3 addressing Staff IS Adj. No. 9. Because the net of these two entries is zero, the incorrect amount does not cause Staff's Adj. No. 8 to be in error.
- IS Adj. No. 14 – Miscellaneous Expense. Although the Company does not agree that all of the charges disallowed by Staff should be removed from expenses, The Company accepts this reduction of \$16,790 from miscellaneous expense.
- IS Adj. No. 17 – Interest Expense on Customer Deposits. The Company accepts Staff's adjustment to include interest on customer deposits in the amount of \$1,367 in the Company's expenses.

Income Statement Adjustment RB2 – Repairs and Maintenance Expense

Q. PLEASE EXPLAIN THE COMPANY'S INCOME STATEMENT ADJUSTMENT IS-RB2?

A. This adjustment partially accepts Staff Income Statement Adj. No. 3. The

Company accepts a \$15,000 pro forma adjustment for normalized arsenic media replacement costs and a \$15,466 reduction to reclassify certain expenses to Office Supplies Expense. However, the Company does not accept Staff's proposed \$24,475 reduction for inadequately supported credit card purchases or Staff's proposed \$31,333 reduction disallowing normalized tank painting costs.

Q. WHAT IS NEW RIVER'S POSITION ON CREDIT CARD PURCHASES?

A. The Company is willing to accept a reduction of \$18,256 representing the actual cost of the bills Staff identified as not being utility related, leaving a balance of \$9,328 for credit card charges. However, the Company does not agree with Staff's proposal to allocate 1/3 of the \$9,328 in credit card charges to Mr. Fletcher personally and another 1/3 of the costs to Cody Farms, an affiliate of New River. There simply is no evidence that these remaining credit card charges are for anything other than repairs and maintenance expense for New River.

As noted by Staff, Company management removes any charges it determines are not business related prior to charging New River's repairs and maintenance expense account. These exclusions are substantial and are what Staff has referred to as 75% of the bills being blacked out. They are blacked out because they are not New River expenses and they were not charged to the Company. In addition, Staff identified \$18,256 in charges that it considered not being utility related and the Company accepts this reduction. The additional two-thirds reduction of the remaining \$9,328 proposed by Staff should be rejected.

Q. WHAT IS NEW RIVER'S POSITION ON TANK PAINTING COSTS?

A. As explained in my Direct Testimony, New River proposes to normalize anticipated tank recoating expenses. Staff has not taken issue with the cost estimate or schedule provided. Staff has rejected the costs because the Company delayed the initial recoating due in 2012. Staff links this delay to an intercompany balance between New River and its affiliate Cody Farms in order to support its adjustment removing all tank coating costs. However, Staff's

1 adjustment is nothing more than an attempt to force an affiliate of New River to
2 fund tank painting rather than New River's customers.

3 Staff does not dispute the Company's tank recoating schedule or projected
4 costs. As discussed in my Direct Testimony, recovery of tank recoating costs are
5 critical as many of New River's tanks are at or approaching the age that they
6 require their first recoating. Furthermore, the Company has diligently moved
7 forward with its tank recoating plan. On May 2nd of this year the Company
8 obtained the proposal attached hereto as **Exhibit RLJ-RB-2** from Arizona
9 Coating Applicators for recoating the storage tank at the Company's 78th Lane
10 Booster Plant. New River has accepted the recoating proposal and committed to
11 an expenditure of \$130,000 to be completed this fall, once temperatures allow the
12 contractor to safely work inside the tank.

13 The Company's normalized tank painting costs should be accepted and
14 Staff's proposed elimination of these expenses from the cost of service rejected.

15 **Income Statement Adjustment RB3 – Contractual Services, Other**

16 **Q. PLEASE EXPLAIN THE COMPANY'S INCOME STATEMENT ADJUSTMENT**
17 **IS-RB3?**

18 **A.** This adjustment partially accepts Staff Income Statement Adj. No. 9. The
19 Company accepts Staff's reallocation of \$11,957 from Chemicals Expense and a
20 \$5,775 reduction for costs related to an affiliate. However, New river does not
21 agree with Staff's reallocation of \$47,950 to Contractual Services, Water Testing,
22 for costs billed by the Company's contract certified operator. The bills from the
23 contract operator do contain some costs for water testing, but the majority of the
24 costs are for labor costs related to normal system checks and operational duties of
25 the contract operator. The Company has provided a schedule on adjustment IS-
26 RB3 showing that only \$13,489 of the \$47,950 in costs were for water testing.
27 The Company's adjustment reclassifies only the \$13,489 in actual water testing
28 costs.

Income Statement Adjustment RB4 – Transportation Expense

Q. PLEASE EXPLAIN THE COMPANY'S INCOME STATEMENT ADJUSTMENT IS-RB4?

A. This adjustment partially accepts Staff Income Statement Adj. No. 12. The Company accepts removal of \$4,020 in affiliate costs and reclassification of \$6,512 in costs for an engine rebuild to capital. The Company does not accept Staff's unsupported adjustment in the amount of \$2,797 pertaining to the disallowance of the expenses associated with one of the Company's trucks. I will discuss this issue in further detail below.

Income Statement Adjustment RB5 – Payroll Expense and Tax

Q. PLEASE EXPLAIN THE COMPANY'S INCOME STATEMENT ADJUSTMENT IS-RB5?

A. This adjustment increases payroll costs to include an Accounting Analyst on New River's staff. This adjustment is related to a Staff recommendation that New River file a plan describing the actions it will take to maintain its books and records in compliance with the NARUC USoA. The plan must include training and the implementation of new policies and procedures. Staff has also recommended that the Company implement a plant accounting function based on including the use of work orders. New River is supportive of these recommendations and is committed to taking steps to improve its record keeping and compliance with the NARUC USoA.

Throughout this rate case process, I have been working with New River's management and outside accounting firm to address the issues that Staff is concerned about. Much progress has been made. However, once the rate case is concluded, New River will need dedicated staff to track and address accounting issues on a daily basis. I have recommended that New River hire an Accounting Analyst to fulfill this role. This adjustment includes the \$48,600 cost of that new position in the expenses of the Company.

Staff's Income Statement Adjustment No. 10- Rent, Buildings

Q. WHAT IS COMPANY'S POSITION ON THE RENT ADJUSTMENTS PROPOSED BY STAFF?

A. The adjustments should be rejected. New River rents a 4,000 square foot shop facility at an annual cost of \$3.00 per square foot for a total cost of \$12,000 per year. New River uses this facility to store materials and supplies and to work on vehicles and equipment. In making its adjustment, Staff effectively substitutes its judgment for Company management's judgment and concludes that the Company needs only 1,000 square feet of space. Staff then, in an unsupported leap, proceeds to calculate rental cost for a 1,000 square foot shop at a cost of \$3.00 per square foot annually. This adjustment should be rejected. It does not address the only pertinent question, "Is rental of a 4,000 square-foot facility at an annual cost of \$3.00 per square foot reasonable and prudent?" The answer is an unequivocal yes. This is a very cheap price for a reasonable amount of workshop space. Instead of accepting this reasonable arrangement and cost, Staff takes New River's very good arrangement and turns it into an even better, albeit fictional, deal for 1,000 square feet of space at \$3.00 per square foot.

Further, New River pays \$48,600 annually to rent a 2,200 square foot office and the 87th Avenue booster plant property, including the well on that property. Staff's adjustment allows only about \$10.72 per year per square foot for the 2,200 square foot business office, while allowing nothing for the booster station property. The Company's management has inquired as to the leasing costs of the commercial property immediately east of New River's office and has been advised that the cost is \$17.50 per square foot per year. Using the cost of this immediately adjacent commercial property, the annual rental value of the business office is \$38,500 (2,200 x \$17.50). This leaves only \$10,100 annually for the rental cost of the booster station property. These are reasonable costs and should be included in the Company's expenses.

Staff's Income Statement Adjustment No. 11 – Rents Vehicles

Q. WHAT IS COMPANY'S POSITION ON THE VEHICLE RENT ADJUSTMENTS PROPOSED BY STAFF?

A. Staff has made two adjustments. One disallows one of the Company vehicles. The other adjustment arbitrarily lowers the rental cost of all other vehicles. Both adjustments should be rejected.

Staff again substitutes its judgment here for Company management's judgment and summarily decides that New River does not need one of its vehicles. Even more troubling, Staff reduces the rent paid for vehicles based on a wholly unsupported schedule that purports to reduce vehicle costs based on how many work days a month the vehicles are used. Even if the lack of support is ignored, the adjustment does not make sense. Staff is creating an alternate reality that assumes a truck or forklift can be rented at a monthly rate, but paid for on a per day per use basis. This is not possible. Every utility has business needs that require them to have vehicles that are not used each and every day. There is no free lunch--the vehicle must be paid for every day. Staff's mathematical factoring of cost does not change this reality. Staff provides no supportable evidence that the Company's actual vehicle rent is unreasonable and the adjustment should be rejected.

Staff's Income Statement Adjustment No. 13 – Bad Debt

Q. WHAT IS COMPANY'S POSITION ON THE BAD DEBT ADJUSTMENT PROPOSED BY STAFF?

A. The Company stands by its test year bad debt expense. The \$7,688 amount represents a write-off rate of 0.6% and is the actual bad debt for the test year. Staff normalizes the expense over three years because the Company did not book bad debt separately from revenue in the two years preceding the test year. Staff's proposal does not normalize the bad debt expense. It just divides it by three. The Company changed its accounting practice for the test year specifically so it could

1 identity its bad debt expense and seek appropriate recovery of the actual expense.
2 Staff's adjustment should be rejected.

3 I will also point out that Staff has not included bad debt expense in its
4 calculation of the gross revenue conversion factor. Regardless of the level of bad
5 debt allowed, failing to include it in the gross revenue conversion factor causes
6 the recommended increase in revenue to be understated.

7 **Income Statement Adjustment IS-15 – Depreciation**

8 **Q. HAS COMPANY ADJUSTMENT IS-15 BEEN UPDATED?**

9 A. Yes. The Company's depreciation adjustment has been updated to incorporate all
10 of the Company's Rebuttal Adjustments to plant in service balances and to
11 incorporate the recommendations related to depreciation of the pumping
12 equipment account previously discussed. Income statement adjustment IS-15
13 results in depreciation expense of \$107,582.

14 **Q. DO YOU HAVE ANY COMMENTS ON STAFF'S DEPRECIATION
15 ADJUSTMENT?**

16 A. Yes, I will point out that Staff has used the incorrect CIAC balance in calculating
17 the Amortization of CIAC as it did in its Rate Base Adjustment No. 9. This
18 causes the Amortization of CIAC to be overstated and the net depreciation
19 expense to be understated.

20 **Income Statement Adjustment IS-16 – Property Tax**

21 **Q. HAS COMPANY ADJUSTMENT IS-16 BEEN UPDATED?**

22 A. The Company and Staff are in agreement regarding test year property tax expense.
23 However, Property Tax Expense is included in the Gross Revenue Conversion
24 Factor. Since the Company has lowered its requested revenue, the Property Tax
25 Expense after consideration of the requested rate increase is reduced.

26 **Income Statement Adjustment IS-17 – Income Tax**

27 **Q. HAS COMPANY ADJUSTMENT IS-17 BEEN UPDATED?**

28 A. Yes. The Company's Income Tax adjustment has been updated to be consistent

1 with the tax rates used by Staff. Since Income Tax Expense is included in the
2 Gross Revenue Conversion Factor, Income Tax Expense after consideration of the
3 requested rate increase has decreased.
4

5 **VI. STAFF'S RECOMMENDATIONS**

6 **Affiliate Debt**

7 **Q. WHAT IS NATURE OF THE AFFILIATE DEBT DISCUSSED BY STAFF?**

8 A. The debt is not a loan in the traditional sense as characterized by Staff. The debt
9 would be more properly characterized as an intercompany balance between New
10 River and its affiliate Cody Farms. The balance is analogous to what would be
11 recorded between a parent and subsidiary companies or between subsidiary
12 companies when cash is transferred from a subsidiary to the parent or another
13 subsidiary and vice versa. The funds were not provided to Cody Farms for any
14 particular purpose and are not required to be paid back by Cody Farms.

15 **Q. HAVE THE DISTRIBUTIONS TO CODY FARMS HARMED THE**
16 **COMPANY?**

17 A. No, they have not. Staff attempts to make this point by tying the affiliate balance
18 to a decision not to fund tank recoating in 2012. That is over-reach in an attempt
19 to find harm when none exists. Further, it is an oversimplification of the
20 Company's decision-making and analysis. When determining whether or not to
21 paint a tank in a particular year, the Company must consider its cash on hand,
22 planned capital expenditures, expected expenses, revenue collection patterns and
23 other factors. The Company's decision to briefly delay tank painting was not
24 made because of the affiliate balance with Cody Farms and the delay harmed no
25 one irrespective of why the tank coating delay occurred.

26 **Q. DO STAFF'S RECOMMENDATIONS HAVE MERIT?**

27 A. No, they do not. Every utility hopes to generate cash flow from its operations.
28 The cash flow is generated by the earned return on and of its investment in plant

1 and equipment. The utility's cash flow is its property to use as it sees fit. Typical
2 uses include reinvesting in new plant and plant replacements, purchasing
3 investments, purchasing other utilities, paying debts, transferring funds to a parent
4 company and issuing dividends to shareholders. All are permissible uses of funds
5 as long as the utility is meeting its public service obligations.

6 In this case, New River has chosen to distribute cash through a transfer to
7 an affiliate. The transfers could just as easily been made directly to Mr. and Mrs.
8 Fletcher in the form of a direct distribution or dividend. In that case there would
9 be no affiliate balance (an asset) but New River's capital account would be lower
10 by the exact same amount.

11 **Q. CAN YOU SUMMARIZE THE COMPANY'S POSITION REGARDING**
12 **THIS ISSUE?**

13 New River has the right to distribute cash to its shareholders as does any utility
14 company. As long as those distributions do not cause the Company difficulty in
15 meeting its public service obligation or otherwise impair the capital structure, they
16 are appropriate distributions. The fact that New River's outside accountant has
17 chosen to track these distributions in an asset account labeled as a loan rather than
18 as a deduction to its capital accounts is irrelevant. No harm has been done and
19 there is no need or requirement for Cody Farms to return the funds to New River.

20 **Record Keeping**

21 **Q. IS THE COMPANY WILLING TO ACCEPT STAFF'S RECORD**
22 **KEEPING RECOMMENDATIONS?**

23 A. Yes, but as previously discussed, implementing these recommendation will
24 require the addition of an Accounting Analyst to New River's Staff, as I discussed
25 above. New River expects that this additional cost will be included in the
26 Company's expenses.
27
28

Best Management Practices

Q. DOES STAFF MAKE A RECOMMENDATION REGARDING BEST MANAGEMENT PRACTICES?

A. Yes, Staff recommends that the Company file at least seven Best Management Practices ("BMPs") in the form of tariffs that substantially conform to the templates created by Staff and available on the Commission's website.

Q. DOES NEW RIVER SUPPORT STAFF'S RECOMMENDATION?

A. No. Staff's recommendation is duplicative and excessive, taking the Company beyond what is required by ADWR, the agency that regulates New River's use of groundwater. As detailed in my direct testimony, New River does not have a lost water problem and has a water conservation program as mandated by ADWR. New River is enrolled as a regulated Tier I municipal provider in the Arizona Department of Water Resources' ("ADWR") Modified Non Per Capita Conservation Program ("NPCCP"). As a part of the NPCCP, New River is required to have a public education program and to implement one BMP in its service area. New River must file reports with ADWR on its water conservation efforts.

Q. IS THE COMPANY'S POSITION CONSISTENT WITH RECENT COMMISSION DECISIONS?

A. Yes it is. In Decision No. 73573 (November 21, 2012) for Pima Utility Company, The Commission found as follows:

Pima is located in the Phoenix Active Management Area ("AMA"). The state's groundwater protection laws are already in place and enforced by ADWR. We do not find duplicative regulation to be in the public interest. We agree with Pima and will not require the filing of BMPs.

VII. RATE DESIGN

Q. HAS THE COMPANY UPDATED ITS RATE DESIGN AFTER CONSIDERATION OF THE TESTIMONY PRESENTED BY OTHER PARTIES TO THIS CASE?

A. Yes, the Company has reviewed the rate design testimony presented by Staff and updated its recommended rate design to use Staff's break over points for all tiers.

Q. HAVE YOU PROVIDED UPDATED SCHEDULES SHOWING YOUR REBUTTAL RATE DESIGN AND THE IMPACT ON VARIOUS CUSTOMER CLASSES?

A. Yes. A full set of updated H-Schedules is included in Exhibit RLJ-RB-1.

Q. DO YOU HAVE ANY COMMENTS ON STAFF'S RATE DESIGN?

A. At this point, the Company and Staff are relatively far apart on revenue requirement, making it difficult to provide meaningful detailed analysis of differences in the Company and the Staff rate designs. I will note that the Staff's rate design puts a larger percentage of the increase into the higher consumption tiers than does the Company's rate design. This weighting of revenue to the third tier will make it more difficult for the Company to collect the revenue requirement and earn its authorized rate of return. This is particularly problematic for New River since its service area is built out and there will be no revenue increase due to customer growth. I expect to provide a more in depth analysis on this point with my rejoinder testimony.

VIII. METER AND SERVICE LINE CHARGES & SERVICE CHARGES

Q. ARE THE COMPANY AND STAFF IN AGREEMENT ON MISCELLANEOUS CHARGES?

A. Yes. In its Direct Testimony, Staff adopted most of the Company's recommendations. With respect to the points of disagreement in Staff's Direct Testimony, the Company will adopt Staff's position, including Staff's \$3,060 in

1 additional service charges revenue.

2
3 **IX. EMERGENCY PURCHASED WATER SURCHARGE TARIFF**

4 **Q. IS THE EMERGENCY PURCHASED WATER TARIFF PROPOSED BY**
5 **STAFF ACCEPTABLE TO THE COMPANY?**

6 A. Yes it is. The Company appreciates Staff working with the Company to address
7 this issue.

8
9 **X. COST OF CAPITAL**

10 **Q. WHAT CONCERNS DO YOU HAVE WITH STAFF'S COST OF**
11 **CAPITAL TESTIMONY?**

12 A. My concern is very basic. Mr. Cassidy has produced a cost of equity
13 recommendation of only 8.8%. This cost of equity is not reasonable, is far below
14 the cost of equity granted by the Commission in recent decisions and inconsistent
15 with even Mr. Cassidy's recommendation in the Global Water rate case¹ issued
16 just twelve days after his recommendation in this case.

17 **Q. WHAT IS MR. CASSIDY'S RECOMMENDED COST OF EQUITY IN**
18 **THIS CASE AND THE GLOBAL WATER CASE?**

19 A. Mr. Cassidy has recommended that New River be granted an 8.8% cost of equity.
20 Just twelve days later he recommended that the Global Water receive a 9.4% cost
21 of equity. This is a very sizeable difference of 60 basis points in just twelve days.

22 **Q. WAS HIS COST OF EQUITY ESTIMATE UPDATED TO REFLECT NEW**
23 **DATA IN THE GLOBAL CASE?**

24 A. No it appears that just the opposite happened. In the newer Global Water case
25 Mr. Cassidy actually uses older data as inputs for the CAPM method and other
26 inputs. It is this older data, particularly the inputs to the CAP method, which is
27 primarily responsible for producing a higher cost of equity in the Global Water

28 ¹ See Docket No. W-02451A-12-0313, Staff Testimony dated July 8, 2013.

recommendation.

Q. WHY IS THIS A CONCERN TO YOU?

A. It verifies my long-held concern that Staff is over reliant on models that are subject to unreasonable and sudden shifts in the model output over relatively short periods of time as inputs change. Clearly, cost of equity does not shift dramatically from day to day as Staff's model would indicate. It seems to me that these models are, in the end, unreliable and unpredictable tools for determining the cost of equity, particularly for smaller companies such as New River that do not have the sophistication or resources to produce their own competing cost of equity model. The glaring differences in the New River recommendation, as compared to the Global Water recommendation, also raises the concern that Staff could manipulate inputs in order to get a predetermined result from their cost of equity model.

Q. HAVE YOU UPDATED YOUR REVIEW OF RECENT COMMISSION DECISIONS REGARDING COST OF EQUITY?

A. Yes I have. The table below summarizes reported Commission decisions since 2011 concerning return on equity and weighted cost of capital:

Table 1 – Recent Returns on Equity Granted by the Commission

Company	Decision No.	Date	Return on Equity	Percent Equity
Southwest Gas Corp.	72723	1/6/2012	9.50	52.30
Bermuda Water Co.	72892	2/17/2012	8.82	100.00
Chino Meadows II Water Co.	72896	2/12/2012	10.00	100.00
Indiada Water Co.	73091	4/4/2012	10.00	100.00
Arizona Water Co. (Western Group)	73144	5/1/2012	10.00	50.97
Arizona-American Water Co.	73145	5/1/2012	10.60	41.27
UNS Electric	73142	5/1/2012	9.50	50.82
Arizona Public Service Co.	73183	5/14/2012	10.00	53.94
Pima Utility Co.	73573	11/21/2012	9.49	64.64
Arizona Water Co. (Eastern Group)	73736	2/20/2013	10.55	50.97
Average			9.85%	66.49%

The table shows that the average return on equity authorized by the Commission

1 since 2011 was 9.85% with the most recent decision being at 10.55%

2 **Q. WHAT IS YOUR COST OF CAPITAL RECOMMENDATION?**

3 A. New River continues to propose a 10.00% cost of equity, less a 1.280% fair value
4 inflation adjustment, for a fair value adjusted equity return of 8.720%. The
5 request is based on the updated review of rate orders issued by the Commission
6 since 2011. I continue to believe that reliance on recent decisions is the most
7 viable way to determine the cost of capital for small utilities that do not have the
8 resources to produce their own competing equity model. This method seems
9 particularly appropriate after reviewing Staff's significantly more favorable
10 recommendation for the much larger Global Water issued just days after the
11 recommendation for New River was issued.

12 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

13 A. Yes.
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EXHIBIT RLJ-RB-1

<u>Schedule</u> <u>No.</u>	<u>Title</u>
Schedule A-1	Computation of Increase in Gross Revenue Requirement
Schedule A-2	Summary of Results of Operations
Schedule A-3	Summary of Capital Structure
Schedule A-4	Construction Expenditures and Gross Utility Plant in Service
Schedule A-5	Summary Changes in Financial Position
Schedule B-1	Summary of Original Cost Rate Base Elements
Schedule B-2	Original Cost Rate Base Pro forma Adjustments
Schedule B-2.1	Reconciliation of Plant Additions, Retirements and Accumulated Depreciation
Schedule B-2.1 Restated	Restatement of Accumulated Depreciation Using 5.0% Rate for Pumping Equipment
Schedule B-3	Reconstruction Cost Rate Base Pro forma Adjustments
Schedule B-4	RCND By Major Plant Accounts
Schedule B-5	Computation of Working Capital
Schedule C-1	Adjusted Test Year Income Statement
Schedule C-2	Income Statement Pro forma Adjustments
Schedule C-3	Computation of Gross Revenue Conversion Factor
Schedule D-1	Summary of Cost of Capital
Schedule D-2	Cost of Long-Term and Short-Term Debt
Schedule D-3	Cost of Preferred Stock
Schedule D-4	Cost of Common Equity
Schedule E-1	Comparative Balance Sheet
Schedule E-2	Comparative Income Statements
Schedule E-3	Comparative Statement of Changes in Financial Position
Schedule E-4	Statement of Changes in Stockholder's Equity
Schedule E-5	Detail of Utility Plant
Schedule E-7	Operating Statistics
Schedule E-8	Taxes Charged to Operations
Schedule E-9	Notes To Financial Statements
Schedule F-1	Projected Income Statements - Present and Proposed Rates
Schedule F-2	Projected Changes in Financial Position - Present and Proposed Rates
Schedule F-3	Projected Construction Requirements
Schedule F-4	Assumptions Used in Developing Projection
Schedule H-1	Summary of Revenues by Customer Classification - Present and Proposed Rates
Schedule H-2	Analysis of Revenues by Detailed Class
Schedule H-3	Changes In Representative Rate Schedules
Schedule H-4	Typical Bill Analysis
Schedule H-5	Bill Count

New River Utility Company
Test Year Ended December 31, 2011
Computation of Increase in Gross Revenue Requirements

Exhibit: RLI-RB-1
Schedule A-1 Rebuttal
Page 1
Witness: Jones

Line No.		Fair Value Rate Base
1	Adjusted Rate Base	\$ 6,722,350
2		
3	Adjusted Operating Income	158,007
4		
5	Current Rate of Return	2.35%
6		
7	Required Rate of Return	8.72%
8		
9	Required Operating Income	\$ 586,189
10		
11	Operating Income Deficiency	\$ 428,182
12		
13	Gross Revenue Conversion Factor	1.6319
14		
15	Increase in Gross Revenue	\$ 698,765
16		
17	Adjusted Test Year Revenue	\$ 1,260,429
18		
19	Proposed Annual Revenue	\$ 1,959,193
20		
21	Percent Increase in Gross Revenue	55.44%
22		
23		
24		
25		
26		
27		
28	<u>Customer Classification</u>	
29		
30	All Customers	\$ 696,088 56.39%
31		
32	Other Water Revenue	3,060 11.89%
33		
34	Total Revenue Increase	<u>\$ 699,148 55.48%</u>
35		
36	<u>Supporting Schedules:</u>	
37	B-1 C-1	
38	C-3 H-1	
39		

New River Utility Company
Test Year Ended December 31, 2011
Summary Results of Operations

Exhibit: RLJ-RB-1
Schedule A-2 Rebuttal
Page 1
Witness: Jones

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Prior Years Ended</u>		<u>Test Year</u>		<u>Projected Year</u>	
		<u>12/31/2009</u>	<u>12/31/2010</u>	<u>Actual</u> <u>12/31/2011</u>	<u>Adjusted</u> <u>12/31/2011</u>	<u>Present</u> <u>Rates</u> <u>12/31/2012</u>	<u>Proposed</u> <u>Rates</u> <u>12/31/2012</u>
1	Gross Revenues	\$ 1,458,334	\$ 1,274,051	\$ 1,260,429	\$ 1,260,429	\$ 1,260,429	\$ 1,959,193
2	Revenue Deductions and						
3	Operating Expenses	1,337,501	1,236,111	1,213,490	1,102,422	1,112,023	1,382,606
4	Operating Income	120,833	37,940	46,939	158,007	148,405	576,588
5							
6	Other Income and						
7	Deductions	6,815	5,629	1,275	1,275	5,436	5,436
8	Interest Expense	-	-	-	-	-	-
9	Net Income	\$ 127,648	\$ 43,569	\$ 48,214	\$ 159,282	\$ 153,841	\$ 582,023
10							
11	Earned Per Average						
12	Common Share	1,276.48	435.69	482.14	1,592.82	1,538.41	5,820.23
13							
14	Dividends Per						
15	Common Share	(1,691.53)	-	-	-	-	-
16							
17	Payout Ratio	-132.52%	0.00%	0.00%	0.00%	0.00%	0.00%
18							
19	Return on Average						
20	Invested Capital	3.4%	1.2%	1.3%	4.2%	4.0%	15.1%
21							
22	Return on Year End						
23	Capital	3.4%	1.2%	1.3%	4.1%	4.0%	15.0%
24							
25	Return on Average						
26	Common Equity	3.4%	1.2%	1.3%	3.8%	3.6%	13.5%
27							
28	Return on Year End						
29	Common Equity	3.4%	1.2%	1.3%	3.7%	3.6%	13.2%
30							
31	Times Bond Interest Earned						
32	Before Income Taxes	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
33							
34	Times Total Interest and						
35	Preferred Dividends Earned						
36	After Income Taxes	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
37							
38							
39	<u>Supporting Schedules:</u>						
40	E-2 F-1						
41	C-1						
42							

New River Utility Company
Test Year Ended December 31, 2011
Summary of Capital Structure

Exhibit: RLJ-RB-1
Schedule A-3 Rebuttal
Page 1
Witness: Jones

Line No.		Prior Years Ended		Test Year	Projected Year
	Description:	<u>12/31/2009</u>	<u>12/31/2010</u>	<u>12/31/2011</u>	<u>12/31/2012</u>
3	Short-Term Debt	-	-	-	-
4	Long-Term Debt	-	-	-	-
5	Total Debt	\$ -	\$ -	\$ -	\$ -
7	Preferred Stock	-	-	-	-
8	Common Equity	3,719,843	3,763,411	4,267,425	4,421,266
9	Total Capital & Debt	\$ 3,719,843	\$ 3,763,411	\$ 4,267,425	\$ 4,421,266
12	Capitalization Ratios:				
14	Short-Term Debt	0.00%	0.00%	0.00%	0.00%
15	Long-Term Debt	0.00%	0.00%	0.00%	0.00%
16	Total Debt	0.00%	0.00%	0.00%	0.00%
18	Preferred Stock	0.00%	0.00%	0.00%	0.00%
19	Common Equity	100.00%	100.00%	100.00%	100.00%
20	Total Capital	100.00%	100.00%	100.00%	100.00%
28	Weighted Cost of				
29	Senior Capital	0.000%	0.000%	0.000%	0.000%
35	<u>Supporting Schedules:</u>				
36	E-1	D-1			

New River Utility Company

Test Year Ended December 31, 2011

Construction Expenditures and Gross Utility Plant In Service

Exhibit: RLJ-RB-1

Schedule A-4 Rebuttal

Page 1

Witness: Jones

Line			Construction	Net Plant Placed	Gross Utility
No.	Year		Expenditures	In Service	Plant In Service
1					
2	Prior Year Ended	12/31/2009	\$ 72,000	\$ 72,000	\$ 5,164,497
3					
4	Prior Year Ended	12/31/2010	316,395	202,250	5,366,747
5					
6	Test Year Ended	12/31/2011	42,586	6,586	5,373,333
7					
8	Projected Year Ending	12/31/2012	25,000	25,000	5,398,333
9					
10	Projected Year Ending	12/31/2013	175,000	175,000	5,573,333
11					
12	Projected Year Ending	12/31/2014	175,000	175,000	5,748,333
13					
14	<u>Supporting Schedules:</u>				
15	F-3				
16	E-5				
17					

New River Utility Company
Test Year Ended December 31, 2011
Summary Changes In Financial Position

Exhibit: RLJ-RB-1
Schedule A-5 Rebuttal
Page 1
Witness: Jones

Line No.		Prior Year Ended	Prior Year Ended	Test Year Ended	Projected Year	
		<u>12/31/2009</u>	<u>12/31/2010</u>	<u>12/31/2011</u>	Present Rates <u>12/31/2012</u>	Proposed Rates <u>12/31/2013</u>
1	<u>Source of Funds</u>					
2	Operations	\$ 283,944	\$ 312,619	\$ 38,038	\$ 261,423	\$ 689,605
3						
4	Outside Financing	-	-	-	-	-
5						
6	Total Funds Provided	\$ 283,944	\$ 312,619	\$ 38,038	\$ 261,423	\$ 689,605
7						
8	<u>Application of Funds</u>					
9	Constriction Expenditures	\$ (72,000)	\$ (316,395)	\$ (42,586)	\$ (25,000)	\$ (25,000)
10						
11	Dividends/Distributions	(169,153)	-	-	-	-
12						
13	Other	-	-	-	-	-
14						
15	Total Funds Applied	\$ (241,153)	\$ (316,395)	\$ (42,586)	\$ (25,000)	\$ (25,000)
16						
17	Net Increase/(Decrease) in Cash	42,790	(3,776)	(4,548)	236,423	664,605
18						
19						
20						
21	<u>Supporting Schedules:</u>					
22	E-3					
23	F-2					
24						

New River Utility Company
Test Year Ended December 31, 2011
Summary of Original Cost Rate Base Elements

Exhibit: RLJ-RB-1
Schedule B-1 Rebuttal
Page 1
Witness: Jones

Line No.		Original Cost Rate Base*	RCND Rate Base*	Fair Value Rate Base (50/50)
1				
2	Gross Utility Plant in Service	\$ 6,237,095	\$ 20,419,135	\$ 13,328,115
3				
4	Less: Accumulated Depreciation	(2,091,421)	(6,853,609)	(4,472,515)
5				
6	Net Utility Plant in Service	4,145,674	13,565,526	8,855,600
7				
8	Less:			
9	Advances in Aid of Construction	-	-	-
10				
11	Contributions in Aid of Construction	1,929,839	3,259,648	2,594,744
12	Accumulated Amortization of CIAC	(288,183)	(504,845)	(396,514)
13	Contributions in Aid of Construction - Net	1,641,656	2,754,803	2,198,230
14				
15	Customer Security Deposits	22,784	22,784	22,784
16	Deferred Income Taxes	-	-	-
17				
18	Plus:			
19	Working Capital	87,763	87,763	87,763
20	Net Regulatory Asset / (Liability)	-	-	-
21				
22	Rate Base	\$ 2,568,998	\$ 10,875,702	\$ 6,722,350

* including pro forma adjustments

Supporting Schedules:

B-2 B-5
B-3 E-1

Recap Schedules:

A-1

Line No.	Actual End of Test Year	As Filed		Rebuttal Adjustments				
		ADJ OC-1	ADJ OC-2	ADJ OC-RB1	ADJ OC-RB2	ADJ OC-RB3	ADJ OC-RB4	ADJ OC-RB5
1								
2	Gross Utility Plant in Service	\$ 5,373,333	\$ 71,258	\$ 175,113	\$ (22,235)	\$ 787,955	\$ 18,236	\$ -
3								
4	Less: Accumulated Depreciation	(2,685,382)	384,542					
5								
6	Net Utility Plant in Service	2,687,951	71,258	175,113	(22,235)	787,955	18,236	-
7								
8	Less:							
9	Advances in Aid of Construction	-						
10								
11	Contributions in Aid of Construction	-		-				
12	Accumulated Amortization of CIAC	-		-				
13	Contributions in Aid of Construction - Net	-	-	-	-	-	-	-
14								
15	Customer Security Deposits	22,784						
16	Deferred Income Taxes	-						
17								
18	Plus:							
19	Working Capital	96,775						
20	Net Regulatory Asset / (Liability)							
21								
22	Rate Base	\$ 2,761,942	\$ 71,258	\$ 384,542	\$ (22,235)	\$ 787,955	\$ 18,236	\$ -
23								
24								
25								
26								
27								
28	Supporting Schedules:							
29	E-1							
30								

Recap Schedules:
 B-1

Line No.		Rebuttal Adjustments					Total Pro Forma Adjustments	Adjusted End of Test Year
		ADJ OC-RB6	ADJ OC-RB7	ADJ OC-RB8	ADJ OC-RB9	ADJ OC-RB10		
1								
2	Gross Utility Plant in Service	\$ (166,566)					\$ 863,762	\$ 6,237,095
3								
4	Less: Accumulated Depreciation		209,419				593,961	(2,091,421)
5								
6	Net Utility Plant in Service	(166,566)	209,419	-	-	-	1,457,723	4,145,674
7								
8	Less:							
9	Advances in Aid of Construction						-	-
10								
11	Contributions in Aid of Construction			1,929,839			1,929,839	1,929,839
12	Accumulated Amortization of CIAC				(288,183)		(288,183)	(288,183)
13	Contributions in Aid of Construction - Net	-	-	1,929,839	(288,183)	-	1,641,656	1,641,656
14								
15	Customer Security Deposits						-	22,784
16	Deferred Income Taxes						-	-
17								
18	Plus:							
19	Working Capital					(9,012)	(9,012)	87,763
20	Net Regulatory Asset / (Liability)						-	-
21								
22	Rate Base	\$ (166,566)	\$ 209,419	\$ (1,929,839)	\$ 288,183	\$ (9,012)	\$ (192,944)	\$ 2,568,998
23								
24								
25								
26								
27								
28	Supporting Schedules:							
29	E-1							
30								

Recap Schedules:
B-1

Plant In Service Balance

Line No.	Acct No.	Description	Book Adjustments - (Included on Schedule B.2.1)				Rate Making Adjustments																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
			Actual End of Test Year	Conform to Decision No. 71482	Unbooked Plant Retirement	[1.3] NOT USED	[1.4] NOT USED	Adjusted Book End of Test Year ¹	[1.5] Post Test Year Plant	[1.6] NOT USED	[1.7] NOT USED																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
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Workpapers:

Post Test Year Plant - New Water Supply Project

Line No.	Plant Acct Description	Adjustment Amount
1		
2		
3	331 Costs Expensed during Test Year	\$ 21,442
4	331 Capital Costs incurred during 2012	<u>58,462</u>
5		\$ 79,904
6		
7	331 Total Increase/(Decrease) in Plant in Service	<u>\$ 79,904</u>
8		

New River Utility Company
Test Year Ended December 31, 2011
Rate Base Adjustment OC-2

Exhibit: RLJ-RB-1
Schedule B-2 Rebuttal
Page 4
Witness: Jones

Accumulated Depreciation

Line No.	Acct No.	Description	Book Adjustments - (Included on Schedule B.2.1)				Rate Making Adjustments				Adjusted Book End of Test Year	Adjusted End of Test Year
			[2.1] Unbooked Plant Retirement	[2.2] Difference From Calc'd on B-2.1	[2.3] NOT USED	[2.4] NOT USED	[2.5] NOT USED	[2.6] NOT USED	[2.7] NOT USED			
3												
4	301	Organization Cost	-	-	-	-	-	-	-	-	-	\$
5	302	Franchise Cost	-	-	-	-	-	-	-	-	-	-
6	303	Land and Land Rights	-	-	-	-	-	-	-	-	-	-
7	304	Structures & Improvements	69,308	(38,178)	-	-	-	-	-	31,130	31,130	31,130
8	305	Collecting & Impounding Reservoirs	-	-	-	-	-	-	-	-	-	-
9	306	Lake, River, Canal Intakes	-	-	-	-	-	-	-	-	-	-
10	307	Wells & Springs	449,440	(74,645)	-	-	-	-	-	374,796	374,796	374,796
11	308	Infiltration Galleries	-	-	-	-	-	-	-	-	-	-
12	309	Raw Water Supply Mains	-	-	-	-	-	-	-	-	-	-
13	310	Power Generation Equipment	-	-	-	-	-	-	-	-	-	-
14	311	Pumping Equipment	466,291	473,340	-	-	-	-	-	939,631	939,631	939,631
15	320	Water Treatment Equipment	90,868	(71,789)	-	-	-	-	-	19,078	19,078	19,078
16	320	Water Treatment Plants	-	-	-	-	-	-	-	-	-	-
17	320	Solution Chemical Feeders	-	-	-	-	-	-	-	-	-	-
18	330	Distribution Reservoirs & Standpipes	528,874	(246,117)	-	-	-	-	-	282,757	282,757	282,757
19	330.1	Storage Tanks	-	-	-	-	-	-	-	-	-	-
20	330.2	Pressure Tanks	-	-	-	-	-	-	-	-	-	-
21	331	Transmission & Distribution Mains	644,725	(325,890)	-	-	-	-	-	318,835	318,835	318,835
22	333	Services	140,528	(28,211)	-	-	-	-	-	112,317	112,317	112,317
23	334	Meters	62,715	49,802	-	-	-	-	-	112,517	112,517	112,517
24	335	Hydrants	91,221	(45,998)	-	-	-	-	-	45,222	45,222	45,222
25	336	Backflow Prevention Devices	-	-	-	-	-	-	-	-	-	-
26	339	Other Plant & Misc Equipment	-	-	-	-	-	-	-	-	-	-
27	340	Office Furniture & Equipment	19,273	(2,095)	-	-	-	-	-	17,177	17,177	17,177
28	340.1	Computers & Software	-	-	-	-	-	-	-	-	-	-
29	341	Transportation Equipment	4,816	2,134	-	-	-	-	-	1,200	1,200	1,200
30	342	Stores Equipment	-	-	-	-	-	-	-	-	-	-
31	343	Tools, Shop & Garage Equipment	-	-	-	-	-	-	-	-	-	-
32	344	Laboratory Equipment	-	-	-	-	-	-	-	-	-	-
33	345	Power Operated Equipment	112,222	(68,667)	-	-	-	-	-	43,556	43,556	43,556
34	346	Communication Equipment	-	-	-	-	-	-	-	-	-	-
35	347	Miscellaneous Equipment	-	-	-	-	-	-	-	-	-	-
36	348	Other Tangible Plant	-	-	-	-	-	-	-	-	-	-
37		TOTALS	5,102	(2,478)	-	-	-	-	-	2,624	2,624	2,624
38		Equity Adjustments (Schedule D-1)	\$ (5,750)	\$ (378,792)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,300,840	\$ 2,300,840	\$ 378,792
39												
40		Accumulated Depreciation per Books										\$ 2,685,382
41												
42		Increase / (Decrease) in Accumulated Depreciation										\$ (384,542)

¹ Adjusted accumulated depreciation balance including all book adjustments. Agrees with 2011 accumulated depreciation balance on Schedule B2.1.

Supporting Schedules:

B-2.1

Workpapers:

New River Utility Company
Test Year Ended December 31, 2011
Rate Base Adjustment OC-RB1

Exhibit: RLJ-RB-1
Schedule B-2 Rebuttal
Page 5
Witness: Jones

Post Test Year Plant - Well No. 1 and Well No. 6 (Staff Adj. No. 1)

Line					
<u>No.</u>					
1	Plant			Adjustment	
2	<u>Acct</u>	<u>Description</u>		<u>Amount</u>	
3					
4	<u>Well No. 6</u>				
5	311	Weber	Invoice No. 0011607	\$84,115	Staff Schedule CSB-5, Ln. 2
6	311	Hydro	Invoice No. 1496	<u>2,029</u>	
7				86,145	
8	<u>Well No. 1</u>				
9	311	Weber	Invoice No. 0011703	59,367	
10	311	Hydro	Invoice No. 1504	<u>29,602</u>	
11				88,969	
12					
13	Total Increase/(Decrease) in Plant In Service			<u>\$ 175,113</u>	
14					

Inadequately Supported Plant (Staff Adj. No. 2)

Line

No.

1	Plant		Plant	
2	<u>Acct</u>	<u>Description</u>	<u>Amount</u>	
3				
4	331	Mains	\$ 133,050	Staff Schedule CSB-6, Ln. 9
5	334	Meters	\$ 3,296	Staff Schedule CSB-6, Ln. 15
6	348	Power Operated Equipment	\$ 86,000	Staff Schedule CSB-6, Ln. 17
7			\$ 222,346	
8				
9		Disallowance Percentage	10.0%	
10				Adjustment
11				<u>Amount</u>
12				
13	331	Mains	\$ (13,305)	
14	334	Meters	(330)	
15	348	Power Operated Equipment	(8,600)	
16				
17	Total Increase/(Decrease) in Plant In Service		\$ (22,235)	
18				

New River Utility Company
Test Year Ended December 31, 2011
Rate Base Adjustment OC-RB3

Exhibit: RLI-RB-1
Schedule B-2 Rebuttal
Page 7
Witness: Jones

Unrecorded Plant (Staff Adj. No. 3)

Line No.	Plant	Adjustment Amount	
	<u>Acct</u> <u>Description</u>		
1			
2			
3			
8	331 Mains	553,910	Staff Schedule CSB-7 Ln. 1
9	333 Services	114,149	Staff Schedule CSB-7 Ln. 2
10	335 Hydrants	<u>119,896</u>	Staff Schedule CSB-7 Ln. 3
11		\$ 787,955	
12			
13	Total Increase/(Decrease) in Plant In Service	<u>\$ 787,955</u>	
14			

New River Utility Company
Test Year Ended December 31, 2011
Rate Base Adjustment OC-RB4

Exhibit: RLJ-RB-1
Schedule B-2 Rebuttal
Page 8
Witness: Jones

Capitalize Expensed Plant (Staff Adj. No. 4)

Line

No.

	Plant		Adjustment	
	<u>Acct</u>	<u>Description</u>	<u>Amount</u>	
1				
2				
3				
4	340.1	Computers	\$ 7,069	Staff Schedule CSB-8, Ln. 2
5	341	Transportation Equipment	6,512	Staff Schedule CSB-8, Ln. 3
6	331	Mains	4,656	Staff Schedule CSB-8, Ln. 1
7				
8	Total Increase/(Decrease) in Plant In Service		<u>18,236</u>	
9				

New River Utility Company
Test Year Ended December 31, 2011
Rate Base Adjustment OC-RB5

Exhibit: RLJ-RB-1
Schedule B-2 Rebuttal
Page 9
Witness: Jones

Plant Reclassification (Staff Adj. No. 5)

Line No.	Plant Acct	Description	Adjustment Amount
1			
2			
3			
4	311	Pumping Equipment	26,239 Staff Schedule CSB-9, Ln. 1
5	348	Other Tangible Plant	\$ (26,239) Staff Schedule CSB-9, Ln. 2
6			
7		Total Increase/(Decrease) in Plant In Service	<u>-</u>
8			

Unrecorded Plant Retirements (Staff Adj. No. 6)

Line

No.	Plant					Adjustment	
	Acct	Description				Amount	
3							
4	Adj. 6a - Staff Identified Retirements						
5	311	Pumping Equipment				\$ (40,536)	Staff Schedule CSB-10, Ln. 16
6	334	Meters				(4,500)	Staff Schedule CSB-10, Ln. 18
7						\$ (45,036)	
8	Adj. 6b - Post Test Year Retirements						
9	Well No. 6		PTY Plant	HW	HW	Orig. Cost	
10	311	Weber	\$84,115	530	760	\$ 58,659	Staff Schedule CSB-10, Ln. 36
11	311	Hydro	2,029	No Related Retirement		-	(Original pump installed 2000)
12						\$ 58,659	
13	Well No. 1						
14	311	Weber	\$59,367	569	760	\$ 44,447	(Original pump installed 2004)
15	311	Hydro	29,602	473	760	18,423	(Original elec. installed 1997)
16						\$ 62,870	
17							
18	Post Test Year Retirement Well No. 6					\$ (58,659)	
19	Post Test Year Retirement Well No. 1					(62,870)	
20						\$ (121,530)	
21							
22	Total Increase/(Decrease) in Plant In Service					\$ (166,566)	
23							

Accumulated Depreciation (Staff Adj. No. 7)

Line No.	Plant Acct Description	Adjustment Amount	
1			
2			
3			
4	<u>Adj. 7a - A/D Related to Unrecorded Plant</u>		
5	331 Mains	\$ 64,099	Staff Schedule CSB-11, Ln. 29
6	333 Services	22,305	Staff Schedule CSB-11, Ln. 44
7	335 Hydrants	<u>13,810</u>	Staff Schedule CSB-11, Ln. 59
8		\$ 100,214	
9	<u>Adj. 7b - Staff Identified Retirements</u>		
10	311 Pumping Equipment	\$ (40,536)	Staff Schedule CSB-11, Ln. 64 (Part 1)
11	334 Meters	<u>(4,500)</u>	Staff Schedule CSB-11, Ln. 65
12		\$ (45,036)	
13	<u>Adj. 7c - Post Test Year Retirements</u>		
14	311 Post Test Year Retirement Well No. 6	\$ (58,659)	Staff Schedule CSB-11, Ln. 64 (Part 2)
15	311 Post Test Year Retirement Well No. 1	<u>(62,870)</u>	
16		\$ (121,530)	
17	<u>Adj. 7d - Depreciation Methodology Account 311</u>		
18	311 Accumulated Depreciation - As Filed	\$ 939,631	Schedule B-2.1, Pg. 12, Ln. 11
19	311 Accumulated Depreciation - Adjusted	<u>799,187</u>	Schedule B-2.1 Restated, Pg. 12, Ln. 11 + Ln. 12
20		\$ (140,444)	
21	<u>Adj. 7e - Plant Reclassification</u>		
22	348 Other Tangible Plant	\$ (2,624)	Schedule B-2.1, Pg. 12, Ln. 33
23	Note: This asset reclassified to account 311. A/D for account		
24	311 captured in restatement per Adj. 7d		
25			
26	Total Increase/(Decrease) in Accumulated Depreciation	<u>\$ (209,419)</u>	
27			

Contributions in Aid of Construction (Staff Adj. No. 8)

Line No.		Adjustment Amount
1		
2		
3	Adj. 8a - AIAC from Last Rate Case (less Refunds)	\$ 1,157,104
4	Adj. 8b - AIAC Related to Unrecorded Plant (Less Refunds)	772,735
5		
6	Total Increase/(Decrease) in CIAC	<u>\$ 1,929,839</u>

Adj. 8a - AIAC from Last Rate Case

AIAC Balances - Last Rate Case					
MXA Contract	Schedule E-1	Staff Adjustment ¹	AIAC Balance at 12/31/2000	2001-2012 AIAC Refunds	Allocated AIAC Balance ²
Fulton Homes	\$ 1,713,206	\$ -	\$ 1,713,206	\$ (1,752,147)	\$ -
DeHaven	103,189	(1,290)	101,899	(47,819)	52,319
Beazer	424,331	(5,304)	419,027	(265,522)	148,507
Payne	2,533	(2,533)	-	-	-
School District	986,366	(12,330)	974,036	(66,752)	877,744
Deer Valley Service	62,681	(784)	61,897	(5,000)	55,045
Payne Resources	36,270	(453)	35,817	(11,537)	23,489
	<u>\$ 3,328,575</u>	<u>\$ (22,694)</u>	<u>\$ 3,305,881</u>	<u>\$ (2,148,777)</u>	<u>\$ 1,157,104</u>
Amount Transferred to CIAC					<u>\$ 1,157,104</u>

¹ Staff Adjustment for refunds made. Adopted in Decision No. 65134.

² Overpayment on Fulton Homes MXA allocated to other MXAs.

Schedule of Plant by Year From Schedule E-1 - Last Rate Case				
MXA Contract	1998 Plant	1999 Plant	2000 Plant	Total
Fulton Homes	\$ 335,729	\$ 4,634	\$ 1,372,843	\$ 1,713,206
DeHaven	-	250	102,939	103,189
Beazer	-	-	424,331	424,331
Payne	-	2,533	-	2,533
School District	984,986	-	1,380	986,366
Deer Valley Service	-	-	62,681	62,681
Payne Resources	-	-	36,270	36,270
	<u>\$ 1,320,715</u>	<u>\$ 7,417</u>	<u>\$ 2,000,444</u>	<u>\$ 3,328,575</u>

Adj. 8b - AIAC Related to Unrecorded Plant

Advances by Year & Total						AIAC Balance
MXA Contract	2004 Plant	2005 Plant	2006 Plant	Total AIAC	Refunds Paid ³	
AR Office Park Ph I	\$ 179,503	\$ -	\$ -	\$ 179,503	\$ (3,910)	\$ 175,593
AR Office Park Ph II	-	50,978	-	50,978	(1,110)	49,868
AR Industrial Park	-	-	106,050	106,050	(2,310)	103,740
Total Arowhead MXAs	<u>\$ 179,503</u>	<u>\$ 50,978</u>	<u>\$ 106,050</u>	<u>\$ 336,531</u>	<u>\$ (7,330)</u>	<u>\$ 329,201</u>
Cody Farms	\$ -	\$ 259,900	\$ -	\$ 259,900	\$ (4,596)	\$ 255,304
Riverstone Ph I	\$ 158,050	\$ -	\$ -	\$ 158,050	\$ (2,719)	\$ 155,331
Riverstone Ph II	-	33,475	-	33,475	(576)	32,899
Total Riverstone MXA	<u>\$ 158,050</u>	<u>\$ 33,475</u>	<u>\$ -</u>	<u>\$ 191,525</u>	<u>\$ (3,295)</u>	<u>\$ 188,230</u>
Total	<u>\$ 337,553</u>	<u>\$ 344,353</u>	<u>\$ 106,050</u>	<u>\$ 787,956</u>	<u>\$ (15,221)</u>	<u>\$ 772,735</u>
Amount Transferred to CIAC						<u>\$ 772,735</u>

³ See schedule provided in response to Staff DRs 1.10, 1.11 and 1.12 for refunds paid.

Amortization of Contributions in Aid of Construction (Staff Adj. No. 9)

Line No.		Adjustment Amount
1		
2		
3	Adj. 9a - Amortization of CIAC from Last Rate Case	\$ 222,447
4	Adj. 9b - Amortization of CIAC Related to Unrecorded Plant	65,736
5		
6	Total Increase/(Decrease) in CIAC Amortization	<u>\$ 288,183</u>

Adj. 9a - Amortization of CIAC from Last Rate Case

	CIAC Balance	Year Transferred to CIAC	Number of Years	Rate	Amorization of CIAC
<u>MXA Contract</u>					
Fulton Homes	\$ -	n/a			\$ -
DeHaven	52,319	2007	4.5	3.4103%	8,029
Beazer	148,507	2007	4.5	3.4103%	22,790
Payne	-	n/a			-
School District	877,744	2006	5.5	3.6873%	178,006
Deer Valley Service	55,045	2006	5.5	3.6873%	11,163
Payne Resources	23,489	2008	3.5	2.9916%	2,459
	<u>\$ 1,157,104</u>				<u>\$ 222,447</u>

Adj. 9b - Amortization of CIAC Related to Unrecorded Plant

	CIAC Balance	Year Transferred to CIAC	Number of Years	Rate	Amorization of CIAC
<u>MXA Contract</u>					
AR Office Park Ph I	\$ 175,593	2009	2.5	2.3444%	\$ 10,292
AR Office Park Ph II	49,868	2009	2.5	2.3444%	2,923
AR Industrial Park	103,740	2009	2.5	2.3444%	6,080
Cody Farms	255,304	2008	3.5	2.9916%	26,732
Riverstone Ph I	155,331	2008	3.5	2.9916%	16,264
Riverstone Ph II	32,899	2008	3.5	2.9916%	3,445
	<u>\$ 772,735</u>				<u>\$ 65,736</u>

New River Utility Company

Test Year Ended December 31, 2011

Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RL-RB-1
Schedule B-2.1 Rebuttal

Page 1

Witness: Jones

		Per Decision No. 65134 - 08/22/2002						Conform Current Books to 65134					
Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	[1] Book Plant at 12/31/2000	[2] Dec. 63449 Adjust-ments	[3] Dec. 65134 Adjust-ments	[4] Adjusted Plant at 12/31/2000 [1]+[2]+[3]	[5] Dec. 65134 Accum Depr 12/31/2000	[6] Net Plant 12/31/2000 [4]-[5]	[7] Book Plant at 12/31/2000	[8] Conforming Plant Adjustment (4)-[7]	[9] Adjusted Plant at 12/31/2000 [9]+[10]
1	301	Organization Cost		0.00%	-	-	-	-	-	-	-	-	-
2	302	Franchise Cost		0.00%	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights		0.00%	75,181	-	-	75,181	-	75,181	75,181	-	75,181
4	304	Structures & Improvements	2.80%	3.33%	61,495	-	-	61,495	1,071	60,424	61,495	-	61,495
5	305	Collecting & Impounding Reservoirs		2.50%	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes		2.50%	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.20%	3.33%	808,186	(13,165)	-	795,021	83,579	711,442	808,187	(13,166)	795,021
8	308	Infiltration Galleries		6.67%	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains		2.00%	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment		5.00%	-	-	-	-	-	-	-	-	-
11	311	Pumping Equipment	2.40%	12.50%	686,831	(9,377)	-	677,454	37,517	639,937	686,831	(9,377)	677,454
12	320	Water Treatment Equipment		3.33%	-	-	-	-	-	-	-	-	-
13	320	Water Treatment Plants		-	-	-	-	-	-	-	-	-	-
14	320	Solution Chemical Feeders		-	-	-	-	-	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipes	3.30%	2.22%	1,029,162	(285)	-	1,028,877	27,289	1,001,588	1,029,162	(285)	1,028,877
16	330.1	Storage Tanks		-	-	-	-	-	-	-	-	-	-
17	330.2	Pressure Tanks		-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	2.00%	2.00%	1,123,616	-	19,022	1,142,638	37,079	1,105,559	1,123,616	19,022	1,142,638
19	333	Services	3.30%	3.33%	236,325	-	-	236,325	25,751	210,574	236,325	-	236,325
20	334	Meters	3.60%	8.33%	103,288	(1,007)	1,917	104,198	10,408	93,790	103,288	910	104,198
21	335	Hydrants	2.00%	2.00%	193,193	-	-	193,193	2,720	190,473	193,193	-	193,193
22	336	Backflow Prevention Devices		6.67%	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc Equipment		6.67%	-	-	-	-	-	-	-	-	-
24	340	Office Furniture & Equipment	6.80%	6.67%	17,428	-	-	17,428	3,615	13,813	17,428	-	17,428
25	340.1	Computers & Software		20.00%	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment		20.00%	-	-	-	-	-	-	-	-	-
27	342	Stores Equipment		4.00%	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	3.60%	5.00%	-	-	-	-	-	-	-	-	-
29	344	Laboratory Equipment		10.00%	-	-	-	-	-	-	-	-	-
30	345	Power Operated Equipment		5.00%	-	-	-	-	-	-	-	-	-
31	346	Communication Equipment		10.00%	-	-	-	-	-	-	-	-	-
32	347	Miscellaneous Equipment		10.00%	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	6.80%	20.00%	-	-	-	-	-	-	-	-	-
34					-	-	-	-	-	-	-	-	-
35		TOTAL			4,334,705	(23,834)	20,939	4,331,810	229,030	4,102,780	4,334,706	(2,896)	4,331,810

Worksheet:

41 NR Rate Case Data.xlsx, Tab: Reconciliation Plant Balances

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New River Utility Company
Test Year Ended December 31, 2011
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RJ-RB-1
Schedule B-2.1 Rebuttal
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Witness: Jones

Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	2001					Salvage A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
					Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Unbooked Retirements	Adjusted Plant Retirements				
1	301	Organization Cost		0.00%	-	-	-	-	-	-	-	-	-	-
2	302	Franchise Cost		0.00%	-	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights		0.00%	-	-	-	-	-	-	-	75,181	-	75,181
4	304	Structures & Improvements	2.80%	3.33%	6,390	-	6,390	-	-	-	2,154	67,885	3,226	64,659
5	305	Collecting & Impounding Reservoirs		2.50%	-	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes		2.50%	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.20%	3.33%	-	-	-	-	-	-	26,474	795,021	110,054	684,967
8	308	Infiltration Galleries		6.67%	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains		2.00%	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment		5.00%	-	-	-	-	-	-	-	-	-	-
11	311	Pumping Equipment	2.40%	12.50%	163,163	-	163,163	-	-	-	94,879	840,617	132,396	708,221
12	320	Water Treatment Equipment		3.33%	-	-	-	-	-	-	-	-	-	-
13	320	Water Treatment Plants			-	-	-	-	-	-	-	-	-	-
14	320	Solution Chemical Feeders			-	-	-	-	-	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipes	3.30%	2.22%	18,086	-	18,086	-	-	-	23,042	1,046,963	50,331	996,632
16	330.1	Storage Tanks			-	-	-	-	-	-	-	-	-	-
17	330.2	Pressure Tanks			-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	2.00%	2.00%	-	-	-	-	-	-	-	-	-	-
19	333	Services	3.30%	3.33%	-	-	-	-	-	-	22,853	1,142,638	59,932	1,082,706
20	334	Meters	3.60%	8.33%	-	-	-	-	-	-	7,870	236,325	33,621	202,704
21	335	Hydrants	2.00%	2.00%	-	-	-	-	-	-	8,680	104,198	19,088	85,110
22	336	Backflow Prevention Devices		6.67%	-	-	-	-	-	-	3,864	193,193	6,583	186,610
23	339	Other Plant & Misc Equipment		6.67%	-	-	-	-	-	-	-	-	-	-
24	340	Office Furniture & Equipment	6.80%	6.67%	1,070	-	1,070	-	-	-	1,198	18,498	4,813	13,685
25	340.1	Computers & Software		20.00%	-	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment		20.00%	29,286	-	29,286	-	-	-	2,929	29,286	2,929	26,357
27	342	Stores Equipment		4.00%	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	3.60%	5.00%	-	-	-	-	-	-	-	-	-	-
29	344	Laboratory Equipment		10.00%	-	-	-	-	-	-	-	-	-	-
30	345	Power Operated Equipment		5.00%	29,725	-	29,725	-	-	-	743	29,725	743	28,982
31	346	Communication Equipment		10.00%	-	-	-	-	-	-	-	-	-	-
32	347	Miscellaneous Equipment		10.00%	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	6.80%	20.00%	-	-	-	-	-	-	-	-	-	-
34					-	-	-	-	-	-	-	-	-	-
35		TOTAL			247,720	-	247,720	-	-	-	194,685	4,579,530	423,715	4,155,815
36					-	-	-	-	-	-	-	-	-	-
37		Depreciable Plant			-	-	-	-	-	-	-	4,504,349	-	4,504,349
38		Composite Depreciation Rate			-	-	-	-	-	-	-	4.3222%	-	4.3222%

Worksheet:
41 NR Rate Case Data.xlsx, Tab: Reconciliation Plant Balances
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New River Utility Company
Test Year Ended December 31, 2011
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	2002					Depreciation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
					Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Unbooked Retirements	Adjusted Plant Retirements	Salvage A/D Only		
1	301	Organization Cost		0.00%	-	-	-	-	-	-	-	-	-
2	302	Franchise Cost		0.00%	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights		0.00%	-	-	-	-	-	-	-	-	-
4	304	Structures & Improvements	2.80%	3.33%	16,748	-	16,748	-	-	-	75,181	-	75,181
5	305	Collecting & Impounding Reservoirs		2.50%	-	-	-	-	-	-	84,633	5,765	78,868
6	306	Lake, River, Canal Intakes		2.50%	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.20%	3.33%	-	-	-	-	-	-	-	-	-
8	308	Infiltration Galleries		6.67%	-	-	-	-	-	-	795,021	136,528	658,493
9	309	Raw Water Supply Mains		2.00%	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment		5.00%	-	-	-	-	-	-	-	-	-
11	311	Pumping Equipment	2.40%	12.50%	5,620	-	5,620	-	-	-	846,237	237,824	608,413
12	320	Water Treatment Equipment		3.33%	-	-	-	-	-	-	-	-	-
13	320	Water Treatment Plants			-	-	-	-	-	-	-	-	-
14	320	Solution Chemical Feeders			-	-	-	-	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipes	3.30%	2.22%	-	-	-	-	-	-	1,046,963	73,573	973,390
16	330.1	Storage Tanks			-	-	-	-	-	-	-	-	-
17	330.2	Pressure Tanks			-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	2.00%	2.00%	119,606	-	119,606	-	-	-	24,049	83,981	1,178,263
19	333	Services	3.30%	3.33%	-	-	-	-	-	-	7,870	41,491	194,834
20	334	Meters	3.60%	8.33%	4,715	-	4,715	-	-	-	8,876	27,964	80,949
21	335	Hydrants	2.00%	2.00%	-	-	-	-	-	-	3,864	10,447	182,746
22	336	Backflow Prevention Devices		6.67%	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc Equipment		6.67%	-	-	-	-	-	-	-	-	-
24	340	Office Furniture & Equipment	6.80%	6.67%	-	-	-	-	-	-	1,234	6,047	12,451
25	340.1	Computers & Software		20.00%	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment		20.00%	28,000	-	28,000	-	-	-	8,657	11,586	45,700
27	342	Stores Equipment		4.00%	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	3.60%	5.00%	-	-	-	-	-	-	-	-	-
29	344	Laboratory Equipment		10.00%	-	-	-	-	-	-	-	-	-
30	345	Power Operated Equipment		5.00%	-	-	-	-	-	-	1,486	2,229	27,496
31	346	Communication Equipment		10.00%	-	-	-	-	-	-	-	-	-
32	347	Miscellaneous Equipment		10.00%	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	6.80%	20.00%	-	-	-	-	-	-	-	-	-
34					-	-	-	-	-	-	-	-	-
35		TOTAL			174,689	-	174,689	-	-	-	213,720	637,436	4,116,783
36					-	-	-	-	-	-	4,679,038	-	-
37		Depreciable Plant			-	-	-	-	-	-	-	-	-
38		Composite Depreciation Rate			-	-	-	-	-	-	-	-	-
39					-	-	-	-	-	-	-	-	-

Worksheet:
41 NR Rate Case Data.xlsx, Tab: Reconciliation Plant Balances
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New River Utility Company

Test Year Ended December 31, 2011

Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RLJ-RB-1
Schedule B-2.1 Rebuttal
Page 4
Witness: Jones

Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	2003					Salvage A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
					Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Unbooked Retirements	Adjusted Plant Retirements				
1	301	Organization Cost		0.00%	-	-	-	-	-	-	-	-	-	-
2	302	Franchise Cost		0.00%	-	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights		0.00%	-	-	-	-	-	-	-	75,181	-	75,181
4	304	Structures & Improvements	2.80%	3.33%	-	-	-	-	-	-	2,818	84,633	8,583	76,050
5	305	Collecting & Impounding Reservoirs		2.50%	-	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes		2.50%	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.20%	3.33%	-	-	-	-	-	-	26,474	795,021	163,002	632,019
8	308	Infiltration Galleries		6.67%	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains		2.00%	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment		5.00%	-	-	-	-	-	-	-	-	-	-
11	311	Pumping Equipment	2.40%	12.50%	12,096	-	12,096	-	-	-	106,536	858,333	344,360	513,973
12	320	Water Treatment Equipment		3.33%	-	-	-	-	-	-	-	-	-	-
13	320	Water Treatment Plants			-	-	-	-	-	-	-	-	-	-
14	320	Solution Chemical Feeders			-	-	-	-	-	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipes	3.30%	2.22%	-	-	-	-	-	-	23,243	1,046,963	96,816	950,147
16	330.1	Storage Tanks			-	-	-	-	-	-	-	-	-	-
17	330.2	Pressure Tanks			-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	2.00%	2.00%	-	-	-	-	-	-	25,245	1,262,244	109,226	1,153,018
19	333	Services	3.30%	3.33%	-	-	-	-	-	-	7,870	236,325	49,360	186,965
20	334	Meters	3.60%	8.33%	1,217	-	1,217	-	-	-	9,123	110,130	37,087	73,043
21	335	Hydrants	2.00%	2.00%	-	-	-	-	-	-	3,864	193,193	14,311	178,882
22	336	Backflow Prevention Devices		6.67%	-	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc Equipment		6.67%	-	-	-	-	-	-	1,234	18,498	7,281	11,217
24	340	Office Furniture & Equipment	6.80%	6.67%	-	-	-	-	-	-	-	-	-	-
25	340.1	Computers & Software		20.00%	-	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment		20.00%	31,469	-	31,469	-	-	-	14,604	88,755	26,190	62,565
27	342	Stores Equipment		4.00%	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	3.60%	5.00%	-	-	-	-	-	-	-	-	-	-
29	344	Laboratory Equipment		10.00%	-	-	-	-	-	-	-	-	-	-
30	345	Power Operated Equipment		5.00%	-	-	-	-	-	-	1,486	29,725	3,716	26,009
31	346	Communication Equipment		10.00%	-	-	-	-	-	-	-	-	-	-
32	347	Miscellaneous Equipment		10.00%	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	6.80%	20.00%	-	-	-	-	-	-	-	-	-	-
34					44,782	-	44,782	-	-	-	222,496	4,799,001	859,932	3,939,069
35		TOTAL												
36														
37		Depreciable Plant										4,723,820		
38		Composite Depreciation Rate										4.7101%		
39														

Worksheet:

41 NR Rate Case Data.xlsx, Tab: Reconciliation Plant Balances

42

Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	2004					Depreciation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
					Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Unbooked Retirements	Adjusted Plant Retirements	Salvage A/D Only		
1	301	Organization Cost		0.00%	-	-	-	-	-	-	-	-	-
2	302	Franchise Cost		0.00%	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights		0.00%	-	-	-	-	-	-	75,181	-	75,181
4	304	Structures & Improvements	2.80%	3.33%	-	-	-	-	-	-	84,633	11,402	73,231
5	305	Collecting & Impounding Reservoirs		2.50%	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes		2.50%	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.20%	3.33%	-	-	-	-	-	-	795,021	189,476	605,545
8	308	Infiltration Galleries		6.67%	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains		2.00%	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment		5.00%	-	-	-	-	-	-	-	-	-
11	311	Pumping Equipment	2.40%	12.50%	30,911	-	30,911	-	-	-	889,244	453,584	435,660
12	320	Water Treatment Equipment		3.33%	-	-	-	-	-	-	-	-	-
13	320	Water Treatment Plants			-	-	-	-	-	-	-	-	-
14	320	Solution Chemical Feeders			-	-	-	-	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipes	3.30%	2.22%	-	-	-	-	-	-	1,046,963	120,059	926,904
16	330.1	Storage Tanks			-	-	-	-	-	-	-	-	-
17	330.2	Pressure Tanks			-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	2.00%	2.00%	42,500	-	42,500	-	-	-	1,304,744	134,896	1,169,849
19	333	Services	3.30%	3.33%	-	-	-	-	-	-	236,325	57,230	179,095
20	334	Meters	3.60%	8.33%	-	-	-	-	-	-	110,130	46,261	63,869
21	335	Hydrants	2.00%	2.00%	-	-	-	-	-	-	193,193	18,175	175,018
22	336	Backflow Prevention Devices		6.67%	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc Equipment		6.67%	-	-	-	-	-	-	-	-	-
24	340	Office Furniture & Equipment	6.80%	6.67%	-	-	-	-	-	-	1,234	8,515	9,983
25	340.1	Computers & Software		20.00%	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment		20.00%	25,390	-	25,390	-	-	-	114,145	46,480	67,665
27	342	Stores Equipment		4.00%	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	3.60%	5.00%	-	-	-	-	-	-	-	-	-
29	344	Laboratory Equipment		10.00%	-	-	-	-	-	-	-	-	-
30	345	Power Operated Equipment		5.00%	-	-	-	-	-	-	1,486	5,202	24,523
31	346	Communication Equipment		10.00%	-	-	-	-	-	-	-	-	-
32	347	Miscellaneous Equipment		10.00%	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	6.80%	20.00%	-	-	-	-	-	-	-	-	-
34					-	-	-	-	-	-	-	-	-
35		TOTAL			98,801	-	98,801	-	-	-	231,346	1,091,278	3,806,524
36					-	-	-	-	-	-	4,822,621	-	-
37		Depreciable Plant			-	-	-	-	-	-	-	-	-
38		Composite Depreciation Rate			-	-	-	-	-	-	-	-	-
39					-	-	-	-	-	-	-	-	-
40		Worksheet:			-	-	-	-	-	-	-	-	-
41		NR Rate Case Data.xlsx, Tab: Reconciliation Plant Balances			-	-	-	-	-	-	-	-	-
42					-	-	-	-	-	-	-	-	-

Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	2005					Salvage A/D Only	Depreciation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
					Plant Additions	Plant Adjustments	Adjusted Plant Additions	Retirements	Adjusted Retirements					
1	301	Organization Cost		0.00%	-	-	-	-	-	-	-	-	-	-
2	302	Franchise Cost		0.00%	-	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights		0.00%	-	-	-	-	-	-	-	75,181	-	75,181
4	304	Structures & Improvements	2.80%	3.33%	-	-	-	-	-	-	2,818	84,633	14,220	70,413
5	305	Collecting & Impounding Reservoirs		2.50%	-	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes		2.50%	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.20%	3.33%	-	-	-	-	-	-	26,474	795,021	215,950	579,071
8	308	Infiltration Galleries		6.67%	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains		2.00%	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment		5.00%	-	-	-	-	-	-	-	-	-	-
11	311	Pumping Equipment	2.40%	12.50%	43,166	-	43,166	-	-	-	113,853	932,410	567,437	364,973
12	320	Water Treatment Equipment		3.33%	-	-	-	-	-	-	-	-	-	-
13	320	Water Treatment Plants			-	-	-	-	-	-	-	-	-	-
14	320	Solution Chemical Feeders			-	-	-	-	-	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipes	3.30%	2.22%	-	-	-	-	-	-	23,243	1,046,963	143,301	903,662
16	330.1	Storage Tanks			-	-	-	-	-	-	-	-	-	-
17	330.2	Pressure Tanks			-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	2.00%	2.00%	-	-	-	-	-	-	-	-	-	-
19	333	Services	3.30%	3.33%	-	-	-	-	-	-	26,095	1,304,744	160,990	1,143,754
20	334	Meters	3.60%	8.33%	-	-	-	-	-	-	7,870	236,325	65,100	171,225
21	335	Hydrants	2.00%	2.00%	-	-	-	-	-	-	9,174	110,130	55,435	54,695
22	336	Backflow Prevention Devices		6.67%	-	-	-	-	-	-	3,864	193,193	22,039	171,154
23	339	Other Plant & Misc Equipment		6.67%	-	-	-	-	-	-	-	-	-	-
24	340	Office Furniture & Equipment	6.80%	6.67%	-	-	-	-	-	-	1,234	18,498	9,749	8,749
25	340.1	Computers & Software		20.00%	-	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment		20.00%	36,000	-	36,000	-	-	-	26,429	150,145	72,909	77,236
27	342	Stores Equipment		4.00%	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	3.60%	5.00%	-	-	-	-	-	-	-	-	-	-
29	344	Laboratory Equipment		10.00%	-	-	-	-	-	-	-	-	-	-
30	345	Power Operated Equipment		5.00%	86,000	-	86,000	-	-	-	3,636	115,725	8,838	106,887
31	346	Communication Equipment		10.00%	-	-	-	-	-	-	-	-	-	-
32	347	Miscellaneous Equipment		10.00%	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	6.80%	20.00%	-	-	-	-	-	-	-	-	-	-
34					165,166	-	165,166	-	-	-	244,690	5,062,968	1,335,968	3,727,000
35		TOTAL												
36														
37		Depreciable Plant												
38		Composite Depreciation Rate												
39														
40		Worksheet:												
41		NR Rate Case Data.xlsx, Tab: Reconciliation Plant Balances												
42														

Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Adjusted Retirements	Salvage A/D Only	Depreciation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	301	Organization Cost		0.00%	-	-	-	-	-	-	-	-	-	-
2	302	Franchise Cost		0.00%	-	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights		0.00%	-	-	-	-	-	-	-	75,181	-	75,181
4	304	Structures & Improvements	2.80%	3.33%	-	-	-	-	-	-	2,818	84,633	17,038	67,595
5	305	Collecting & Impounding Reservoirs		2.50%	-	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes		2.50%	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.20%	3.33%	-	-	-	-	-	-	26,474	795,021	242,425	552,596
8	308	Infiltration Galleries		6.67%	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains		2.00%	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment		5.00%	-	-	-	-	-	-	-	-	-	-
11	311	Pumping Equipment	2.40%	12.50%	7,221	-	7,221	-	-	-	117,003	939,631	684,439	255,192
12	320	Water Treatment Equipment		3.33%	-	-	-	-	-	-	-	-	-	-
13	320	Water Treatment Plants			-	-	-	-	-	-	-	-	-	-
14	320	Solution Chemical Feeders			-	-	-	-	-	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipes	3.30%	2.22%	-	-	-	-	-	-	23,243	1,046,963	166,544	880,419
16	330.1	Storage Tanks			-	-	-	-	-	-	-	-	-	-
17	330.2	Pressure Tanks			-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	2.00%	2.00%	5,000	-	5,000	-	-	-	26,145	1,309,744	187,135	1,122,609
19	333	Services	3.30%	3.33%	-	-	-	-	-	-	7,870	236,325	72,969	163,356
20	334	Meters	3.60%	8.33%	3,296	-	3,296	-	-	-	9,311	113,426	64,746	48,680
21	335	Hydrants	2.00%	2.00%	-	-	-	-	-	-	3,864	193,193	25,903	167,290
22	336	Backflow Prevention Devices		6.67%	-	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc Equipment		6.67%	-	-	-	-	-	-	-	-	-	-
24	340	Office Furniture & Equipment	6.80%	6.67%	-	-	-	-	-	-	1,234	18,498	10,982	7,516
25	340.1	Computers & Software		20.00%	-	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment		20.00%	-	-	-	-	-	-	30,029	150,145	102,938	47,207
27	342	Stores Equipment		4.00%	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	3.60%	5.00%	-	-	-	-	-	-	-	-	-	-
29	344	Laboratory Equipment		10.00%	-	-	-	-	-	-	-	-	-	-
30	345	Power Operated Equipment		5.00%	-	-	-	-	-	-	5,786	115,725	14,624	101,101
31	346	Communication Equipment		10.00%	-	-	-	-	-	-	-	-	-	-
32	347	Miscellaneous Equipment		10.00%	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	6.80%	20.00%	-	-	-	-	-	-	-	-	-	-
34					-	-	-	-	-	-	-	-	-	-
35		TOTAL			15,517	-	15,517	-	-	-	253,776	5,078,485	1,589,744	3,488,741
36														
37		Depreciable Plant										5,003,304		
38		Composite Depreciation Rate										5.0722%		
39														

New River Utility Company
Test Year Ended December 31, 2011
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	2007					Salvage A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
					Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Adjusted Retirements					
1	301	Organization Cost		0.00%	-	-	-	-	-	-	-	-	-	-
2	302	Franchise Cost		0.00%	-	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights		0.00%	-	-	-	-	-	-	-	75,181	-	75,181
4	304	Structures & Improvements	2.80%	3.33%	-	-	-	-	-	-	2,818	84,633	19,856	64,777
5	305	Collecting & Impounding Reservoirs		2.50%	-	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes		2.50%	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.20%	3.33%	-	-	-	-	-	-	26,474	795,021	268,899	526,122
8	308	Infiltration Galleries		6.67%	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains		2.00%	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment		5.00%	-	-	-	-	-	-	-	-	-	-
11	311	Pumping Equipment	2.40%	12.50%	-	-	-	-	-	-	117,454	939,631	801,893	137,738
12	320	Water Treatment Equipment		3.33%	-	-	-	-	-	-	-	-	-	-
13	320	Water Treatment Plants			-	-	-	-	-	-	-	-	-	-
14	320	Solution Chemical Feeders			-	-	-	-	-	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipes	3.30%	2.22%	-	-	-	-	-	-	23,243	1,046,963	189,786	857,177
16	330.1	Storage Tanks			-	-	-	-	-	-	-	-	-	-
17	330.2	Pressure Tanks			-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	2.00%	2.00%	-	-	-	-	-	-	26,195	1,309,744	213,330	1,096,414
19	333	Services	3.30%	3.33%	-	-	-	-	-	-	7,870	236,325	80,839	155,486
20	334	Meters	3.60%	8.33%	-	-	-	-	-	-	9,448	113,426	74,194	39,232
21	335	Hydrants	2.00%	2.00%	-	-	-	-	-	-	3,864	193,193	29,767	163,426
22	336	Backflow Prevention Devices		6.67%	-	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc Equipment		6.67%	-	-	-	-	-	-	1,234	18,498	12,216	6,282
24	340	Office Furniture & Equipment	6.80%		-	-	-	-	-	-	-	-	-	-
25	340.1	Computers & Software		20.00%	-	-	-	-	-	-	30,029	150,145	132,967	17,178
26	341	Transportation Equipment		20.00%	-	-	-	-	-	-	-	-	-	-
27	342	Stores Equipment		4.00%	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	3.60%	5.00%	-	-	-	-	-	-	-	-	-	-
29	344	Laboratory Equipment		10.00%	-	-	-	-	-	-	-	-	-	-
30	345	Power Operated Equipment		5.00%	-	-	-	-	-	-	5,786	115,725	20,411	95,314
31	346	Communication Equipment		10.00%	-	-	-	-	-	-	-	-	-	-
32	347	Miscellaneous Equipment		10.00%	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	6.80%	20.00%	-	-	-	-	-	-	-	-	-	-
34					-	-	-	-	-	-	-	-	-	-
35		TOTAL			-	-	-	-	-	-	254,415	5,078,485	1,844,158	3,234,327
36														
37		Depreciable Plant												
38		Composite Depreciation Rate												
39														
40		Worksheet:												
41		NR Rate Case Data.xlsx, Tab: Reconciliation Plant Balances												
42														

5,003,304
5.0849%

Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	2008					Depreciation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
					Plant Additions	Plant Adjustments	Adjusted Plant Additions	Retirements	Adjusted Retirements				
1	301	Organization Cost		0.00%	-	-	-	-	-	-	-	-	-
2	302	Franchise Cost		0.00%	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights		0.00%	-	-	-	-	-	-	75,181	-	75,181
4	304	Structures & Improvements	2.80%	3.33%	-	-	-	-	-	2,818	84,633	22,675	61,958
5	305	Collecting & Impounding Reservoirs		2.50%	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes		2.50%	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.20%	3.33%	-	-	-	-	-	26,474	795,021	295,373	499,648
8	308	Infiltration Galleries		6.67%	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains		2.00%	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment		5.00%	-	-	-	-	-	-	-	-	-
11	311	Pumping Equipment	2.40%	12.50%	-	-	-	-	-	117,454	939,631	919,347	20,284
12	320	Water Treatment Equipment		3.33%	-	-	-	-	-	-	-	-	-
13	320	Water Treatment Plants			-	-	-	-	-	-	-	-	-
14	320	Solution Chemical Feeders			-	-	-	-	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipes	3.30%	2.22%	-	-	-	-	-	23,243	1,046,963	213,029	833,934
16	330.1	Storage Tanks			-	-	-	-	-	-	-	-	-
17	330.2	Pressure Tanks			-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	2.00%	2.00%	5,366	-	5,366	-	-	26,249	1,315,110	239,579	1,075,531
19	333	Services	3.30%	3.33%	-	-	-	-	-	7,870	236,325	88,708	147,617
20	334	Meters	3.60%	8.33%	-	-	-	-	-	9,448	113,426	83,642	29,784
21	335	Hydrants	2.00%	2.00%	-	-	-	-	-	3,864	193,193	33,631	159,563
22	336	Backflow Prevention Devices		6.67%	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc Equipment		6.67%	-	-	-	-	-	-	-	-	-
24	340	Office Furniture & Equipment	6.80%	6.67%	-	-	-	-	-	1,234	18,498	13,450	5,048
25	340.1	Computers & Software		20.00%	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment		20.00%	5,750	-	5,750	-	-	22,928	155,895	155,895	-
27	342	Stores Equipment		4.00%	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	3.60%	5.00%	-	-	-	-	-	-	-	-	-
29	344	Laboratory Equipment		10.00%	-	-	-	-	-	-	-	-	-
30	345	Power Operated Equipment		5.00%	-	-	-	-	-	5,786	115,725	26,197	89,528
31	346	Communication Equipment		10.00%	-	-	-	-	-	-	-	-	-
32	347	Miscellaneous Equipment		10.00%	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	6.80%	20.00%	-	-	-	-	-	-	-	-	-
34					-	-	-	-	-	-	-	-	-
35		TOTAL			11,116	-	11,116	-	-	247,368	5,089,601	2,091,526	2,998,075
36					-	-	-	-	-	-	-	-	-
37		Depreciable Plant			-	-	-	-	-	-	5,014,420	-	5,014,420
38		Composite Depreciation Rate			-	-	-	-	-	-	4.9331%	-	4.9331%
39					-	-	-	-	-	-	-	-	-

Worksheet:

41 NR Rate Case Data.xlsx, Tab: Reconciliation Plant Balances

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New River Utility Company

Test Year Ended December 31, 2011

Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RL-RB-1
Schedule B-2.1 Rebuttal
Page 10
Witness: Jones

Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Adjusted Retirements	Salvage A/D Only	Depreciation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	301	Organization Cost		0.00%	-	-	-	-	-	-	-	-	-	-
2	302	Franchise Cost		0.00%	-	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights		0.00%	-	-	-	-	-	-	-	75,181	-	75,181
4	304	Structures & Improvements	2.80%	3.33%	-	-	-	-	-	-	2,818	84,633	25,493	59,140
5	305	Collecting & Impounding Reservoirs		2.50%	-	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes		2.50%	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.20%	3.33%	-	-	-	-	-	-	26,474	795,021	321,847	473,174
8	308	Infiltration Galleries		6.67%	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains		2.00%	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment		5.00%	-	-	-	-	-	-	-	-	-	-
11	311	Pumping Equipment	2.40%	12.50%	-	-	-	-	-	-	20,284	939,631	939,631	0
12	320	Water Treatment Equipment		3.33%	-	-	-	-	-	-	-	-	-	-
13	320	Water Treatment Plants			-	-	-	-	-	-	-	-	-	-
14	320	Solution Chemical Feeders			-	-	-	-	-	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipes	3.30%	2.22%	-	-	-	-	-	-	23,243	1,046,963	236,272	810,691
16	330.1	Storage Tanks			-	-	-	-	-	-	-	-	-	-
17	330.2	Pressure Tanks			-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	2.00%	2.00%	7,000	-	7,000	-	-	-	26,372	1,322,110	265,951	1,056,159
19	333	Services	3.30%	3.33%	-	-	-	-	-	-	7,870	236,325	96,578	139,747
20	334	Meters	3.60%	8.33%	-	-	-	-	-	-	9,448	113,426	93,091	20,335
21	335	Hydrants	2.00%	2.00%	-	-	-	-	-	-	3,864	193,193	37,494	155,699
22	336	Backflow Prevention Devices		6.67%	-	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc Equipment		6.67%	-	-	-	-	-	-	-	-	-	-
24	340	Office Furniture & Equipment	6.80%	6.67%	-	-	-	-	-	-	1,234	18,498	14,684	3,814
25	340.1	Computers & Software		20.00%	-	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment		20.00%	-	-	-	-	-	-	-	155,895	155,895	-
27	342	Stores Equipment		4.00%	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	3.60%	5.00%	-	-	-	-	-	-	-	-	-	-
29	344	Laboratory Equipment		10.00%	-	-	-	-	-	-	-	-	-	-
30	345	Power Operated Equipment		5.00%	-	-	-	-	-	-	5,786	115,725	31,983	83,742
31	346	Communication Equipment		10.00%	-	-	-	-	-	-	-	-	-	-
32	347	Miscellaneous Equipment		10.00%	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	6.80%	20.00%	-	-	-	-	-	-	-	-	-	-
34					-	-	-	-	-	-	-	-	-	-
35		TOTAL			7,000	-	7,000	-	-	-	127,393	5,096,601	2,218,919	2,877,682
36														
37		Depreciable Plant										5,021,420		
38		Composite Depreciation Rate										2.5370%		
39														

Worksheet:

41 NR Rate Case Data.xlsx, Tab: Reconciliation Plant Balances

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Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Adjusted Retirements	Salvage A/D Only	Depreciation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	301	Organization Cost		0.00%	-	-	-	-	-	-	-	-	-	-
2	302	Franchise Cost		0.00%	-	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights		0.00%	-	-	-	-	-	-	-	75,181	-	75,181
4	304	Structures & Improvements	2.80%	3.33%	-	-	-	-	-	-	2,818	84,633	28,311	56,322
5	305	Collecting & Impounding Reservoirs		2.50%	-	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes		2.50%	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.20%	3.33%	-	-	-	-	-	-	26,474	795,021	348,321	446,700
8	308	Infiltration Galleries		6.67%	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains		2.00%	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment		5.00%	-	-	-	-	-	-	-	-	-	-
11	311	Pumping Equipment	2.40%	12.50%	-	-	-	-	-	-	-	939,631	939,631	0
12	320	Water Treatment Equipment		3.33%	381,395	-	381,395	-	-	-	6,350	381,395	6,350	375,045
13	320	Water Treatment Plants			-	-	-	-	-	-	-	-	-	-
14	320	Solution Chemical Feeders			-	-	-	-	-	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipes	3.30%	2.22%	-	-	-	-	-	-	23,243	1,046,963	259,514	787,449
16	330.1	Storage Tanks			-	-	-	-	-	-	-	-	-	-
17	330.2	Pressure Tanks			-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	2.00%	2.00%	-	-	-	-	-	-	26,442	1,322,110	292,393	1,029,717
19	333	Services	3.30%	3.33%	-	-	-	-	-	-	7,870	236,325	104,448	131,877
20	334	Meters	3.60%	8.33%	-	-	-	-	-	-	9,448	113,426	102,539	10,887
21	335	Hydrants	2.00%	2.00%	-	-	-	-	-	-	3,864	193,193	41,358	151,835
22	336	Backflow Prevention Devices		6.67%	-	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc Equipment		6.67%	-	-	-	-	-	-	-	-	-	-
24	340	Office Furniture & Equipment	6.80%	6.67%	-	-	-	-	-	-	1,234	18,498	15,918	2,580
25	340.1	Computers & Software		20.00%	-	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment		20.00%	-	-	-	-	-	-	-	41,750	41,750	-
27	342	Stores Equipment		4.00%	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	3.60%	5.00%	-	-	-	-	-	-	-	-	-	-
29	344	Laboratory Equipment		10.00%	-	-	-	-	-	-	-	-	-	-
30	345	Power Operated Equipment		5.00%	-	-	-	-	-	-	5,786	115,725	37,769	77,956
31	346	Communication Equipment		10.00%	-	-	-	-	-	-	-	-	-	-
32	347	Miscellaneous Equipment		10.00%	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	6.80%	20.00%	-	-	-	-	-	-	-	-	-	-
34					-	-	-	-	-	-	-	-	-	-
35		TOTAL			381,395	-	381,395	-	114,145	-	113,529	5,363,851	2,218,303	3,145,548
36														
37		Depreciable Plant										5,288,670		
38		Composite Depreciation Rate										2.1467%		
39														

Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Adjusted Retirements	Salvage A/D Only	Depreciation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	301	Organization Cost		0.00%	-	-	-	-	-	-	-	-	-	-
2	302	Franchise Cost		0.00%	-	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights		0.00%	-	-	-	-	-	-	-	75,181	-	75,181
4	304	Structures & Improvements	2.80%	3.33%	-	-	-	-	-	-	2,818	84,633	31,130	53,503
5	305	Collecting & Impounding Reservoirs		2.50%	-	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes		2.50%	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.20%	3.33%	-	-	-	-	-	-	26,474	795,021	374,796	420,225
8	308	Infiltration Galleries		6.67%	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains		2.00%	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment		5.00%	-	-	-	-	-	-	-	-	-	-
11	311	Pumping Equipment	2.40%	12.50%	-	-	-	-	-	-	-	939,631	939,631	0
12	320	Water Treatment Equipment		3.33%	1,660	-	1,660	-	-	-	12,728	383,055	19,078	363,977
13	320	Water Treatment Plants			-	-	-	-	-	-	-	-	-	-
14	320	Solution Chemical Feeders			-	-	-	-	-	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipes	3.30%	2.22%	-	-	-	-	-	-	23,243	1,046,963	282,757	764,206
16	330.1	Storage Tanks			-	-	-	-	-	-	-	-	-	-
17	330.2	Pressure Tanks			-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	2.00%	2.00%	-	-	-	-	-	-	26,442	1,322,110	318,835	1,003,274
19	333	Services	3.30%	3.33%	-	-	-	-	-	-	7,870	236,325	112,317	124,008
20	334	Meters	3.60%	8.33%	12,713	-	12,713	-	-	-	9,978	126,139	112,517	13,622
21	335	Hydrants	2.00%	2.00%	-	-	-	-	-	-	3,864	193,193	45,222	147,971
22	336	Backflow Prevention Devices		6.67%	-	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc Equipment		6.67%	-	-	-	-	-	-	-	-	-	-
24	340	Office Furniture & Equipment	6.80%	6.67%	775	-	775	-	-	-	1,260	19,273	17,177	2,095
25	340.1	Computers & Software		20.00%	-	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment		20.00%	1,200	-	1,200	5,750	41,750	-	1,200	1,200	1,200	-
27	342	Stores Equipment		4.00%	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	3.60%	5.00%	-	-	-	-	-	-	-	-	-	-
29	344	Laboratory Equipment		10.00%	-	-	-	-	-	-	-	-	-	-
30	345	Power Operated Equipment		5.00%	-	-	-	-	-	-	5,786	115,725	43,556	72,169
31	346	Communication Equipment		10.00%	-	-	-	-	-	-	-	-	-	-
32	347	Miscellaneous Equipment		10.00%	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	6.80%	20.00%	26,239	-	26,239	-	-	-	2,624	26,239	2,624	23,615
34														
35		TOTAL			42,586	-	42,586	5,750	41,750	-	124,286	5,364,687	2,300,840	3,063,847
36														
37		Depreciable Plant										5,289,506		
38		Composite Depreciation Rate										2.3497%		
39														

Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	Per Decision No. 65134 - 08/22/2002					Conform Current Books to 65134			
					[1] Book Plant at 12/31/2000	[2] Dec. 63449 Adjust- ments	[3] Dec. 65134 Adjust- ments	[4] Adjusted Plant at 12/31/2000 (1)+(2)+(3)	[5] Dec. 65134 Accum Depr 12/31/2000	[6] Net Plant 12/31/2000 (4)-(5)	[7] Book Plant at 12/31/2000	[8] Conforming Adjustment (4)-(7)	[9] Adjusted Plant at 12/31/2000 (9)+(10)
1	301	Organization Cost		0.00%	-	-	-	-	-	-	-	-	-
2	302	Franchise Cost		0.00%	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights		0.00%	75,181	-	-	75,181	-	75,181	-	-	75,181
4	304	Structures & Improvements	2.80%	3.33%	61,495	-	-	61,495	1,071	60,424	61,495	-	61,495
5	305	Collecting & Impounding Reservoirs		2.50%	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes		2.50%	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.20%	3.33%	808,186	(13,165)	-	795,021	83,579	711,442	808,187	(13,166)	795,021
8	308	Infiltration Galleries		6.67%	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains		2.00%	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment		5.00%	-	-	-	-	-	-	-	-	-
11	311	Pumping Equipment (2000 & Earlier)	2.40%	12.50%	686,831	(9,377)	-	677,454	37,517	639,937	686,831	(9,377)	677,454
12	311	Pumping Equipment (Post 2000)		5.00%	-	-	-	-	-	-	-	-	-
13	320	Water Treatment Plant		3.33%	-	-	-	-	-	-	-	-	-
14	320	Water Treatment Plant			-	-	-	-	-	-	-	-	-
15	320	Solution Chemical Feeders			-	-	-	-	-	-	-	-	-
16	330	Distribution Reservoirs & Standpipes	3.30%	2.22%	1,029,162	(285)	-	1,028,877	27,289	1,001,588	1,029,162	(285)	1,028,877
17	330.1	Storage Tanks			-	-	-	-	-	-	-	-	-
18	330.2	Pressure Tanks			-	-	-	-	-	-	-	-	-
19	331	Transmission & Distribution Mains	2.00%	2.00%	1,123,616	-	19,022	1,142,638	37,079	1,105,559	1,123,616	19,022	1,142,638
20	333	Services	3.30%	3.33%	236,325	-	-	236,325	25,751	210,574	236,325	-	236,325
21	334	Meters	3.60%	8.33%	103,288	(1,007)	-	104,198	10,408	93,790	103,288	910	104,198
22	335	Hydrants	2.00%	2.00%	193,193	-	-	193,193	2,720	190,473	193,193	-	193,193
23	336	Backflow Prevention Devices		6.67%	-	-	-	-	-	-	-	-	-
24	339	Other Plant & Misc Equipment		6.67%	-	-	-	-	-	-	-	-	-
25	340	Office Furniture & Equipment	6.80%	6.67%	17,428	-	-	17,428	3,615	13,813	17,428	-	17,428
26	340.1	Computers & Software		20.00%	-	-	-	-	-	-	-	-	-
27	341	Transportation Equipment		20.00%	-	-	-	-	-	-	-	-	-
28	342	Stores Equipment		4.00%	-	-	-	-	-	-	-	-	-
29	343	Tools, Shop & Garage Equipment		5.00%	-	-	-	-	-	-	-	-	-
30	344	Laboratory Equipment	3.60%	10.00%	-	-	-	-	-	-	-	-	-
31	345	Power Operated Equipment		5.00%	-	-	-	-	-	-	-	-	-
32	346	Communication Equipment		10.00%	-	-	-	-	-	-	-	-	-
33	347	Miscellaneous Equipment		10.00%	-	-	-	-	-	-	-	-	-
34	348	Other Tangible Plant	6.80%	20.00%	-	-	-	-	-	-	-	-	-
35					-	-	-	-	-	-	-	-	-
36		TOTAL			4,334,705	(23,834)	20,939	4,331,810	229,030	4,102,780	4,334,706	(2,896)	4,331,810
37		Depreciable Plant											
38		Composite Depreciation Rate											

Exhibit: RLJ-RB-1
Schedule B-2.1 Restated Rebuttal

Schedule B-2.1 Restated Rebuttal

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Witness: Jones

4,504,349
4.1863%

42 NR Rate Case Data.xlsx, Tab: Reconciliation Plant Balances

42 NR Rate Case Data.xlsx, Tab: Reconciliation Plant Balances

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Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	2002					Depreciation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
					Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Unbooked Retirements				
1	301	Organization Cost		0.00%	-	-	-	-	-	-	-	-	-
2	302	Franchise Cost		0.00%	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights		0.00%	-	-	-	-	-	-	75,181	-	75,181
4	304	Structures & Improvements	2.80%	3.33%	16,748	-	16,748	-	-	2,539	84,633	5,765	78,868
5	305	Collecting & Impounding Reservoirs		2.50%	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes		2.50%	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.20%	3.33%	-	-	-	-	-	26,474	795,021	136,528	658,493
8	308	Infiltration Galleries		6.67%	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains		2.00%	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment		5.00%	-	-	-	-	-	-	-	-	-
11	311	Pumping Equipment (2000 & Earlier)	2.40%	12.50%	-	-	-	-	-	84,682	677,454	206,880	470,574
12	311	Pumping Equipment (Post 2000)		5.00%	5,620	-	5,620	-	-	8,299	168,783	12,378	156,405
13	320	Water Treatment Equipment		3.33%	-	-	-	-	-	-	-	-	-
14	320	Water Treatment Plants			-	-	-	-	-	-	-	-	-
15	320	Solution Chemical Feeders			-	-	-	-	-	-	-	-	-
16	330	Distribution Reservoirs & Standpipes	3.30%	2.22%	-	-	-	-	-	23,243	1,046,963	73,573	973,390
17	330.1	Storage Tanks			-	-	-	-	-	-	-	-	-
18	330.2	Pressure Tanks			-	-	-	-	-	-	-	-	-
19	331	Transmission & Distribution Mains	2.00%	2.00%	119,606	-	119,606	-	-	24,049	1,262,244	83,981	1,178,263
20	333	Services	3.30%	3.33%	-	-	-	-	-	7,870	236,325	41,491	194,834
21	334	Meters	3.60%	8.33%	4,715	-	4,715	-	-	8,876	108,913	27,964	80,949
22	335	Hydrants	2.00%	2.00%	-	-	-	-	-	3,864	193,193	10,447	182,746
23	336	Backflow Prevention Devices		6.67%	-	-	-	-	-	-	-	-	-
24	339	Other Plant & Misc Equipment		6.67%	-	-	-	-	-	-	-	-	-
25	340	Office Furniture & Equipment	6.80%	6.67%	-	-	-	-	-	1,234	18,498	6,047	12,451
26	340.1	Computers & Software		20.00%	-	-	-	-	-	-	-	-	-
27	341	Transportation Equipment		20.00%	28,000	-	28,000	-	-	8,657	57,286	11,586	45,700
28	342	Stores Equipment		4.00%	-	-	-	-	-	-	-	-	-
29	343	Tools, Shop & Garage Equipment	3.60%	5.00%	-	-	-	-	-	-	-	-	-
30	344	Laboratory Equipment		10.00%	-	-	-	-	-	-	-	-	-
31	345	Power Operated Equipment		5.00%	-	-	-	-	-	1,486	29,725	2,229	27,496
32	346	Communication Equipment		10.00%	-	-	-	-	-	-	-	-	-
33	347	Miscellaneous Equipment		10.00%	-	-	-	-	-	-	-	-	-
34	348	Other Tangible Plant	6.80%	20.00%	-	-	-	-	-	-	-	-	-
35					-	-	-	-	-	-	-	-	-
36		TOTAL			174,689	-	174,689	-	-	201,272	4,754,219	618,869	4,135,350
37					-	-	-	-	-	-	-	-	-
38		Depreciable Plant			-	-	-	-	-	-	4,679,038	-	-
39		Composite Depreciation Rate			-	-	-	-	-	-	4.3016%	-	-
40					-	-	-	-	-	-	-	-	-

Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	2003					Depreciation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
					Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Unbooked Retirements	Adjusted Plant Retirements	Salvage A/D Only		
1	301	Organization Cost		0.00%	-	-	-	-	-	-	-	-	-
2	302	Franchise Cost		0.00%	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights		0.00%	-	-	-	-	-	-	75,181	-	75,181
4	304	Structures & Improvements	2.80%	3.33%	-	-	-	-	-	-	84,633	8,583	76,050
5	305	Collecting & Impounding Reservoirs		2.50%	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes		2.50%	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.20%	3.33%	-	-	-	-	-	-	795,021	163,002	632,019
8	308	Infiltration Galleries		6.67%	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains		2.00%	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment		5.00%	-	-	-	-	-	-	-	-	-
11	311	Pumping Equipment (2000 & Earlier)	2.40%	12.50%	-	-	-	-	-	-	-	-	-
12	311	Pumping Equipment (Post 2000)		5.00%	12,096	-	-	-	-	-	677,454	291,562	385,892
13	320	Water Treatment Equipment		3.33%	-	-	-	-	-	-	180,879	21,119	159,760
14	320	Water Treatment Plants			-	-	-	-	-	-	-	-	-
15	320	Solution Chemical Feeders			-	-	-	-	-	-	-	-	-
16	330	Distribution Reservoirs & Standpipes	3.30%	2.22%	-	-	-	-	-	-	1,046,963	96,816	950,147
17	330.1	Storage Tanks			-	-	-	-	-	-	-	-	-
18	330.2	Pressure Tanks			-	-	-	-	-	-	-	-	-
19	331	Transmission & Distribution Mains	2.00%	2.00%	-	-	-	-	-	-	-	-	-
20	333	Services	3.30%	3.33%	-	-	-	-	-	-	1,262,244	109,226	1,153,018
21	334	Meters	3.60%	8.33%	1,217	-	1,217	-	-	-	236,325	49,360	186,965
22	335	Hydrants	2.00%	2.00%	-	-	-	-	-	-	110,130	37,087	73,043
23	336	Backflow Prevention Devices		6.67%	-	-	-	-	-	-	3,864	14,311	178,882
24	339	Other Plant & Misc Equipment			-	-	-	-	-	-	-	-	-
25	340	Office Furniture & Equipment	6.80%	6.67%	-	-	-	-	-	-	1,234	7,281	11,217
26	340.1	Computers & Software		20.00%	-	-	-	-	-	-	-	-	-
27	341	Transportation Equipment		20.00%	31,469	-	31,469	-	-	-	88,755	26,190	62,565
28	342	Stores Equipment		4.00%	-	-	-	-	-	-	-	-	-
29	343	Tools, Shop & Garage Equipment		5.00%	-	-	-	-	-	-	-	-	-
30	344	Laboratory Equipment	3.60%	10.00%	-	-	-	-	-	-	-	-	-
31	345	Power Operated Equipment		5.00%	-	-	-	-	-	-	29,725	3,716	26,009
32	346	Communication Equipment		10.00%	-	-	-	-	-	-	-	-	-
33	347	Miscellaneous Equipment		10.00%	-	-	-	-	-	-	-	-	-
34	348	Other Tangible Plant	6.80%	20.00%	-	-	-	-	-	-	-	-	-
35					-	-	-	-	-	-	-	-	-
36		TOTAL			44,782	-	44,782	-	-	-	209,384	828,253	3,970,748
37					-	-	-	-	-	-	4,799,001	-	-
38		Depreciable Plant			-	-	-	-	-	-	4,723,820	-	-
39		Composite Depreciation Rate			-	-	-	-	-	-	4.4325%	-	-

Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Retirement Adjustments	Adjusted Plant Retirements	Salvage A/D Only	Depreciation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	301	Organization Cost		0.00%	-	-	-	-	-	-	-	-	-	-	-
2	302	Franchise Cost		0.00%	-	-	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights		0.00%	-	-	-	-	-	-	-	-	75,181	-	75,181
4	304	Structures & Improvements	2.80%	3.33%	-	-	-	-	-	-	-	2,818	84,633	14,220	70,413
5	305	Collecting & Impounding Reservoirs		2.50%	-	-	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes		2.50%	-	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.20%	3.33%	-	-	-	-	-	-	-	26,474	795,021	215,950	579,071
8	308	Infiltration Galleries		6.67%	-	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains		2.00%	-	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment		5.00%	-	-	-	-	-	-	-	-	-	-	-
11	311	Pumping Equipment (2000 & Earlier)	2.40%	12.50%	-	-	-	-	-	-	-	-	-	-	-
12	311	Pumping Equipment (Post 2000)		5.00%	43,166	-	43,166	-	-	-	-	84,682	677,454	460,925	216,529
13	320	Water Treatment Equipment		3.33%	-	-	-	-	-	-	-	11,669	254,956	42,605	212,351
14	320	Water Treatment Plants			-	-	-	-	-	-	-	-	-	-	-
15	320	Solution Chemical Feeders			-	-	-	-	-	-	-	-	-	-	-
16	330	Distribution Reservoirs & Standpipes	3.30%	2.22%	-	-	-	-	-	-	-	23,243	1,046,963	143,301	903,662
17	330.1	Storage Tanks			-	-	-	-	-	-	-	-	-	-	-
18	330.2	Pressure Tanks			-	-	-	-	-	-	-	-	-	-	-
19	331	Transmission & Distribution Mains	2.00%	2.00%	-	-	-	-	-	-	-	26,095	1,304,744	160,990	1,143,754
20	333	Services	3.30%	3.33%	-	-	-	-	-	-	-	7,870	236,325	65,100	171,225
21	334	Meters	3.60%	8.33%	-	-	-	-	-	-	-	9,174	110,130	55,435	54,695
22	335	Hydrants	2.00%	2.00%	-	-	-	-	-	-	-	3,864	193,193	22,039	171,154
23	336	Backflow Prevention Devices		6.67%	-	-	-	-	-	-	-	-	-	-	-
24	339	Other Plant & Misc Equipment		6.67%	-	-	-	-	-	-	-	1,234	18,498	9,749	8,749
25	340	Office Furniture & Equipment	6.80%	6.67%	-	-	-	-	-	-	-	-	-	-	-
26	340.1	Computers & Software		20.00%	36,000	-	36,000	-	-	-	-	-	-	-	-
27	341	Transportation Equipment		20.00%	-	-	-	-	-	-	-	26,429	150,145	72,909	77,236
28	342	Stores Equipment		4.00%	-	-	-	-	-	-	-	-	-	-	-
29	343	Tools, Shop & Garage Equipment		5.00%	-	-	-	-	-	-	-	-	-	-	-
30	344	Laboratory Equipment	3.60%	10.00%	-	-	-	-	-	-	-	-	-	-	-
31	345	Power Operated Equipment		5.00%	86,000	-	86,000	-	-	-	-	3,636	115,725	8,838	106,887
32	346	Communication Equipment		10.00%	-	-	-	-	-	-	-	-	-	-	-
33	347	Miscellaneous Equipment		10.00%	-	-	-	-	-	-	-	-	-	-	-
34	348	Other Tangible Plant	6.80%	20.00%	-	-	-	-	-	-	-	-	-	-	-
35					-	-	-	-	-	-	-	-	-	-	-
36		TOTAL			165,166	-	165,166	-	-	-	-	227,187	5,062,968	1,272,061	3,790,907
37					-	-	-	-	-	-	-	-	-	-	-
38		Depreciable Plant			-	-	-	-	-	-	-	-	4,987,787	-	-
39		Composite Depreciation Rate			-	-	-	-	-	-	-	-	4.5549%	-	-
40					-	-	-	-	-	-	-	-	-	-	-

NARUC		Description	Deprec. Before LO Date	Allowed Deprec. Rate	2006				Depreciation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
Line No.	Account No.				Plant Additions	Plant Adjustments	Adjusted Plant Additions	Retirements				
1	301	Organization Cost		0.00%	-	-	-	-	-	-	-	-
2	302	Franchise Cost		0.00%	-	-	-	-	-	-	-	-
3	303	Land and Land Rights		0.00%	-	-	-	-	-	75,181	-	75,181
4	304	Structures & Improvements	2.80%	3.33%	-	-	-	-	2,818	84,633	17,038	67,595
5	305	Collecting & Impounding Reservoirs		2.50%	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes		2.50%	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.20%	3.33%	-	-	-	-	26,474	795,021	242,425	552,596
8	308	Infiltration Galleries		6.67%	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains		2.00%	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment		5.00%	-	-	-	-	-	-	-	-
11	311	Pumping Equipment (2000 & Earlier)	2.40%	12.50%	-	-	-	-	84,682	677,454	545,607	131,847
12	311	Pumping Equipment (Post 2000)		5.00%	7,221	-	7,221	-	12,928	262,177	55,533	206,644
13	320	Water Treatment Equipment		3.33%	-	-	-	-	-	-	-	-
14	320	Water Treatment Plants			-	-	-	-	-	-	-	-
15	320	Solution Chemical Feeders			-	-	-	-	-	-	-	-
16	330	Distribution Reservoirs & Standpipes	3.30%	2.22%	-	-	-	-	23,243	1,046,963	166,544	880,419
17	330.1	Storage Tanks			-	-	-	-	-	-	-	-
18	330.2	Pressure Tanks			-	-	-	-	-	-	-	-
19	331	Transmission & Distribution Mains	2.00%	2.00%	5,000	-	5,000	-	26,145	1,309,744	187,135	1,122,609
20	333	Services	3.30%	3.33%	-	-	-	-	7,870	236,325	72,969	163,356
21	334	Meters	3.60%	8.33%	3,296	-	3,296	-	9,311	113,426	64,746	48,680
22	335	Hydrants	2.00%	2.00%	-	-	-	-	3,864	193,193	25,903	167,290
23	336	Backflow Prevention Devices		6.67%	-	-	-	-	-	-	-	-
24	339	Other Plant & Misc Equipment		6.67%	-	-	-	-	-	-	-	-
25	340	Office Furniture & Equipment	6.80%	6.67%	-	-	-	-	1,234	18,498	10,982	7,516
26	340.1	Computers & Software		20.00%	-	-	-	-	-	-	-	-
27	341	Transportation Equipment		20.00%	-	-	-	-	30,029	150,145	102,938	47,207
28	342	Stores Equipment		4.00%	-	-	-	-	-	-	-	-
29	343	Tools, Shop & Garage Equipment	3.60%	5.00%	-	-	-	-	-	-	-	-
30	344	Laboratory Equipment		10.00%	-	-	-	-	-	-	-	-
31	345	Power Operated Equipment		5.00%	-	-	-	-	-	-	-	-
32	346	Communication Equipment		10.00%	-	-	-	-	5,786	115,725	14,624	101,101
33	347	Miscellaneous Equipment		10.00%	-	-	-	-	-	-	-	-
34	348	Other Tangible Plant	6.80%	20.00%	-	-	-	-	-	-	-	-
35					-	-	-	-	-	-	-	-
36		TOTAL			15,517	-	15,517	-	234,384	5,078,485	1,506,444	3,572,041
37												
38		Depreciable Plant								5,003,304		
39		Composite Depreciation Rate								4.6846%		
40												

Line No.		NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	2007				Depreciation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
						Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements				
1	301		Organization Cost		0.00%	-	-	-	-	-	-	-	-
2	302		Franchise Cost		0.00%	-	-	-	-	-	-	-	-
3	303		Land and Land Rights		0.00%	-	-	-	-	-	75,181	-	75,181
4	304		Structures & Improvements	2.80%	3.33%	-	-	-	-	2,818	84,633	19,856	64,777
5	305		Collecting & Impounding Reservoirs		2.50%	-	-	-	-	-	-	-	-
6	306		Lake, River, Canal Intakes		2.50%	-	-	-	-	-	-	-	-
7	307		Wells & Springs	3.20%	3.33%	-	-	-	-	26,474	795,021	268,899	526,122
8	308		Infiltration Galleries		6.67%	-	-	-	-	-	-	-	-
9	309		Raw Water Supply Mains		2.00%	-	-	-	-	-	-	-	-
10	310		Power Generation Equipment		5.00%	-	-	-	-	-	-	-	-
11	311		Pumping Equipment (2000 & Earlier)	2.40%	12.50%	-	-	-	-	84,682	677,454	630,289	47,165
12	311		Pumping Equipment (Post 2000)		5.00%	-	-	-	-	13,109	262,177	68,642	193,535
13	320		Water Treatment Equipment		3.33%	-	-	-	-	-	-	-	-
14	320		Water Treatment Plants			-	-	-	-	-	-	-	-
15	320		Solution Chemical Feeders			-	-	-	-	-	-	-	-
16	330		Distribution Reservoirs & Standpipes	3.30%	2.22%	-	-	-	-	23,243	1,046,963	189,786	857,177
17	330.1		Storage Tanks			-	-	-	-	-	-	-	-
18	330.2		Pressure Tanks			-	-	-	-	-	-	-	-
19	331		Transmission & Distribution Mains	2.00%	2.00%	-	-	-	-	26,195	1,309,744	213,330	1,096,414
20	333		Services	3.30%	3.33%	-	-	-	-	7,870	236,325	80,839	155,486
21	334		Meters	3.60%	8.33%	-	-	-	-	9,448	113,426	74,194	39,232
22	335		Hydrants	2.00%	2.00%	-	-	-	-	3,864	193,193	29,767	163,426
23	336		Backflow Prevention Devices		6.67%	-	-	-	-	-	-	-	-
24	339		Other Plant & Misc Equipment		6.67%	-	-	-	-	1,234	18,498	12,216	6,282
25	340		Office Furniture & Equipment	6.80%	6.67%	-	-	-	-	-	-	-	-
26	340.1		Computers & Software		20.00%	-	-	-	-	30,029	150,145	132,967	17,178
27	341		Transportation Equipment		20.00%	-	-	-	-	-	-	-	-
28	342		Stores Equipment		4.00%	-	-	-	-	-	-	-	-
29	343		Tools, Shop & Garage Equipment	3.60%	5.00%	-	-	-	-	-	-	-	-
30	344		Laboratory Equipment		10.00%	-	-	-	-	-	-	-	-
31	345		Power Operated Equipment		5.00%	-	-	-	-	5,786	115,725	20,411	95,314
32	346		Communication Equipment		10.00%	-	-	-	-	-	-	-	-
33	347		Miscellaneous Equipment		10.00%	-	-	-	-	-	-	-	-
34	348		Other Tangible Plant	6.80%	20.00%	-	-	-	-	-	-	-	-
35						-	-	-	-	-	-	-	-
36			TOTAL			-	-	-	-	234,751	5,078,485	1,741,196	3,337,289
37						-	-	-	-	-	-	-	-
38			Depreciable Plant			-	-	-	-	-	5,003,304	-	5,003,304
39			Composite Depreciation Rate			-	-	-	-	-	4.6919%	-	4.6919%
40						-	-	-	-	-	-	-	-

Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Retirement Adjustments	Adjusted Plant Retirements	Salvage A/D Only	Depreciation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	301	Organization Cost		0.00%	-	-	-	-	-	-	-	-	-	-	-
2	302	Franchise Cost		0.00%	-	-	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights		0.00%	-	-	-	-	-	-	-	-	75,181	-	75,181
4	304	Structures & Improvements	2.80%	3.33%	-	-	-	-	-	-	-	2,818	84,633	22,675	61,958
5	305	Collecting & Impounding Reservoirs		2.50%	-	-	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes		2.50%	-	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.20%	3.33%	-	-	-	-	-	-	-	26,474	795,021	295,373	499,648
8	308	Infiltration Galleries		6.67%	-	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains		2.00%	-	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment		5.00%	-	-	-	-	-	-	-	-	-	-	-
11	311	Pumping Equipment (2000 & Earlier)	2.40%	12.50%	-	-	-	-	-	-	-	47,165	677,454	677,454	0
12	311	Pumping Equipment (Post 2000)		5.00%	-	-	-	-	-	-	-	13,109	262,177	81,751	180,426
13	320	Water Treatment Equipment		3.33%	-	-	-	-	-	-	-	-	-	-	-
14	320	Water Treatment Plants		3.33%	-	-	-	-	-	-	-	-	-	-	-
15	320	Solution Chemical Feeders			-	-	-	-	-	-	-	-	-	-	-
16	330	Distribution Reservoirs & Standpipes	3.30%	2.22%	-	-	-	-	-	-	-	23,243	1,046,963	213,029	833,934
17	330.1	Storage Tanks			-	-	-	-	-	-	-	-	-	-	-
18	330.2	Pressure Tanks			-	-	-	-	-	-	-	-	-	-	-
19	331	Transmission & Distribution Mains	2.00%	2.00%	5,366	-	5,366	-	-	-	-	26,249	1,315,110	239,579	1,075,531
20	333	Services	3.30%	3.33%	-	-	-	-	-	-	-	7,870	236,325	88,708	147,617
21	334	Meters	3.60%	8.33%	-	-	-	-	-	-	-	9,448	113,426	83,642	29,784
22	335	Hydrants	2.00%	2.00%	-	-	-	-	-	-	-	3,864	193,193	33,631	159,563
23	336	Backflow Prevention Devices		6.67%	-	-	-	-	-	-	-	-	-	-	-
24	339	Other Plant & Misc Equipment		6.67%	-	-	-	-	-	-	-	1,234	18,498	13,450	5,048
25	340	Office Furniture & Equipment	6.80%	6.67%	-	-	-	-	-	-	-	-	-	-	-
26	340.1	Computers & Software		20.00%	5,750	-	5,750	-	-	-	-	22,928	155,895	155,895	-
27	341	Transportation Equipment		20.00%	-	-	-	-	-	-	-	-	-	-	-
28	342	Stores Equipment		4.00%	-	-	-	-	-	-	-	-	-	-	-
29	343	Tools, Shop & Garage Equipment	3.60%	5.00%	-	-	-	-	-	-	-	-	-	-	-
30	344	Laboratory Equipment		10.00%	-	-	-	-	-	-	-	-	-	-	-
31	345	Power Operated Equipment		5.00%	-	-	-	-	-	-	-	5,786	115,725	26,197	89,528
32	346	Communication Equipment		10.00%	-	-	-	-	-	-	-	-	-	-	-
33	347	Miscellaneous Equipment		10.00%	-	-	-	-	-	-	-	-	-	-	-
34	348	Other Tangible Plant	6.80%	20.00%	-	-	-	-	-	-	-	-	-	-	-
35					-	-	-	-	-	-	-	-	-	-	-
36		TOTAL			11,116	-	11,116	-	-	-	-	190,188	5,089,601	1,931,383	3,158,217
37					-	-	-	-	-	-	-	-	-	-	-
38		Depreciable Plant			-	-	-	-	-	-	-	-	5,014,420	-	5,014,420
39		Composite Depreciation Rate			-	-	-	-	-	-	-	-	3,7928%	-	3,7928%
40					-	-	-	-	-	-	-	-	-	-	-

Exhibit: RJ-RB-1
Schedule B-2.1 Restated Rebuttal
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Schedule B-2.1 Restated Rebuttal

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Witness: Jones

Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	2009					Salvage A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
					Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Adjusted Plant Retirements					
1	301	Organization Cost		0.00%	-	-	-	-	-	-	-	-	-	-
2	302	Franchise Cost		0.00%	-	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights		0.00%	-	-	-	-	-	-	75,181	-	-	75,181
4	304	Structures & Improvements	2.80%	3.33%	-	-	-	-	-	-	84,633	25,493	-	59,140
5	305	Collecting & Impounding Reservoirs		2.50%	-	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes		2.50%	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.20%	3.33%	-	-	-	-	-	-	26,474	321,847	-	473,174
8	308	Infiltration Galleries		6.67%	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains		2.00%	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment		5.00%	-	-	-	-	-	-	-	-	-	-
11	311	Pumping Equipment (2000 & Earlier)	2.40%	12.50%	-	-	-	-	-	-	-	-	-	-
12	311	Pumping Equipment (Post 2000)		5.00%	-	-	-	-	-	-	13,109	677,454	0	0
13	320	Water Treatment Equipment		3.33%	-	-	-	-	-	-	-	262,177	94,860	167,317
14	320	Water Treatment Plants			-	-	-	-	-	-	-	-	-	-
15	320	Solution Chemical Feeders			-	-	-	-	-	-	-	-	-	-
16	330	Distribution Reservoirs & Standpipes	3.30%	2.22%	-	-	-	-	-	-	23,243	1,046,963	236,272	810,691
17	330.1	Storage Tanks			-	-	-	-	-	-	-	-	-	-
18	330.2	Pressure Tanks			-	-	-	-	-	-	-	-	-	-
19	331	Transmission & Distribution Mains	2.00%	2.00%	7,000	-	7,000	-	-	-	26,372	1,322,110	265,951	1,056,159
20	333	Services	3.30%	3.33%	-	-	-	-	-	-	7,870	236,325	96,578	139,747
21	334	Meters	3.60%	8.33%	-	-	-	-	-	-	9,448	113,426	93,091	20,335
22	335	Hydrants	2.00%	2.00%	-	-	-	-	-	-	3,864	193,193	37,494	155,699
23	336	Backflow Prevention Devices		6.67%	-	-	-	-	-	-	-	-	-	-
24	339	Other Plant & Misc Equipment		6.67%	-	-	-	-	-	-	-	-	-	-
25	340	Office Furniture & Equipment	6.80%	6.67%	-	-	-	-	-	-	1,234	18,498	14,684	3,814
26	340.1	Computers & Software		20.00%	-	-	-	-	-	-	-	-	-	-
27	341	Transportation Equipment		20.00%	-	-	-	-	-	-	-	-	-	-
28	342	Stores Equipment		4.00%	-	-	-	-	-	-	-	-	-	-
29	343	Tools, Shop & Garage Equipment	3.60%	5.00%	-	-	-	-	-	-	-	-	-	-
30	344	Laboratory Equipment		10.00%	-	-	-	-	-	-	-	-	-	-
31	345	Power Operated Equipment		5.00%	-	-	-	-	-	-	-	-	-	-
32	346	Communication Equipment		10.00%	-	-	-	-	-	-	5,786	115,725	31,983	83,742
33	347	Miscellaneous Equipment		10.00%	-	-	-	-	-	-	-	-	-	-
34	348	Other Tangible Plant	6.80%	20.00%	-	-	-	-	-	-	-	-	-	-
35					-	-	-	-	-	-	-	-	-	-
36		TOTAL			7,000	-	7,000	-	-	-	120,218	5,096,601	2,051,601	3,044,999

41 **Worksheet:**

Line No.	Actual End of Test Year	AS	Rebuttal Adjustments						
		Filed	ADJ <u>RCN-1</u>	ADJ <u>RCN-RB1</u>	ADJ <u>RCN-RB2</u>	ADJ <u>RCN-RB3</u>	ADJ <u>RCN-RB4</u>	ADJ <u>RCN-RB5</u>	ADJ <u>RCN-RB6</u>
1									
2									
3									
4	Gross Utility Plant in Service	\$ 19,189,971	\$ 79,904	\$ 175,113	\$ (30,737)	\$ 1,212,607	\$ 18,236	\$ -	\$ (225,960)
5									
6	Less: Accumulated Depreciation	(6,937,536)							
7									
8	Net Utility Plant in Service	12,252,436	79,904	175,113	(30,737)	1,212,607	18,236	-	(225,960)
9									
10	Less:								
11	Advances in Aid of Construction	-							
12									
13	Contributions in Aid of Construction	-							
14	Accumulated Amortization of CIAC	-							
15	Contributions in Aid of Construction - Net	-	-	-	-	-	-	-	-
16									
17	Customer Security Deposits	22,784							
18	Deferred Income Taxes	-							
19									
20	Plus:								
21	Working Capital	96,775							
22	Net Regulatory Asset / (Liability)								
23									
24	Rate Base	\$ 12,326,427	\$ 79,904	\$ 175,113	\$ (30,737)	\$ 1,212,607	\$ 18,236	\$ -	\$ (225,960)

Recap Schedules:
B-1

Line No.	Actual End of Test Year	Rebuttal Adjustments				Total Pro Forma Adjustments	Adjusted End of Test Year
		ADJ RCN-RB7	ADJ RCN-RB8	ADJ RCN-RB9	ADJ RCN-RB10		
1							
2							
3							
4	Gross Utility Plant in Service	\$ 19,189,971				\$ 1,229,164	\$ 20,419,135
5							
6	Less: Accumulated Depreciation	(6,937,536)	83,927			83,927	(6,853,609)
7							
8	Net Utility Plant in Service	12,252,436		-		1,313,090	13,565,526
9							
10	Less:						
11	Advances in Aid of Construction	-				-	-
12							
13	Contributions in Aid of Construction	-	3,259,648			3,259,648	3,259,648
14	Accumulated Amortization of CIAC	-		(504,845)		(504,845)	(504,845)
15	Contributions in Aid of Construction - Net	-	-	(504,845)		2,754,803	2,754,803
16							
17	Customer Security Deposits	22,784				-	22,784
18	Deferred Income Taxes	-				-	-
19							
20	Plus:						
21	Working Capital	96,775			(9,012)	(9,012)	87,763
22	Net Regulatory Asset / (Liability)					-	-
23							
24	Rate Base	\$ 12,326,427	\$ 83,927	\$ (3,259,648)	\$ 504,845	\$ (1,450,724)	\$ 10,875,702
25							
26							
27							
28							
29							
30	Supporting Schedules:						
31	B-4						
32							

Recap Schedules:
B-1

New River Utility Company
Test Year Ended December 31, 2011
Rate Base Adjustment RCN-1

Exhibit: RLJ-RB-1
Schedule B-3 Rebuttal
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Witness: Jones

Post Test Year Plant - New Water Supply Project

Line No.	Plant Acct	Description	Adjustment Amount	
1				
2				
3				
4	331	Costs Expensed during Test Year	\$ 21,442	See Income Statement Adjustment IS-1
5	331	Capital Costs incurred during 2012	<u>58,462</u>	
6			\$ 79,904	
7				
8	331	Total Increase/(Decrease) in Plant In Service	<u>\$ 79,904</u>	
9				

New River Utility Company
Test Year Ended December 31, 2011
Rate Base Adjustment RCN-RB1

Exhibit: RLI-RB-1
Schedule B-3 Rebuttal
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Witness: Jones

Post Test Year Plant - Well No. 1 and Well No. 6 (Staff Adj. No. 1)

Line No.	Plant Acct	Description	Adjustment Amount	
1				
2				
3				
4		<u>Well No. 6</u>		
5	311	Weber	\$84,115	Staff Schedule CSB-16, Ln. 4
6	311	Hydro	2,029	
7			86,145	
8		<u>Well No. 1</u>		
9	311	Weber	59,367	
10	311	Hydro	29,602	
11			88,969	
12				
13	331	Total Increase/(Decrease) in Plant In Service	\$ 175,113	
14				

New River Utility Company
 Test Year Ended December 31, 2011
 Rate Base Adjustment RCN-RB2

Exhibit: RLJ-RB-1
 Schedule B-3 Rebuttal
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 Witness: Jones

Inadequately Supported Plant (Staff Adj. No. 2)

Line No.	Plant Acct	Description	Trended Plant Amount	
1				
2				
3				
4	331	Mains	\$ 217,322	Staff Schedule CSB-16, Ln. 9
5	334	Meters	4,043	Staff Schedule CSB-16, Ln. 11
6	348	Power Operated Equipment	86,000	Staff Schedule CSB-16, Ln. 13
7			\$ 307,365	
8				
9		Disallowance Percentage	10.0%	
10				Adjustment
11				Amount
12				
13	331	Mains	\$ (21,732)	
14	334	Meters	(404)	
15	348	Power Operated Equipment	(8,600)	
16				
17	Total Increase/(Decrease) in Plant In Service		\$ (30,737)	
18				

New River Utility Company
Test Year Ended December 31, 2011
Rate Base Adjustment RCN-RB3

Exhibit: RLJ-RB-1
Schedule B-3 Rebuttal
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Witness: Jones

Unrecorded Plant (Staff Adj. No. 3)

Line

No.

	Plant		Adjustment	
	<u>Acct</u>	<u>Description</u>	<u>Amount</u>	
1				
2				
3				
4		<u>Adj. 3a - Engineering Report</u>		
5	304	Structures and Improvements	\$ 84,633	Staff Schedule CSB-16, Ln. 17
6				
7		<u>Adj. 3b - Unrecorded MXA's</u>		
8	331	Mains	818,365	Staff Schedule CSB-16, Ln. 21
9	333	Services	167,002	Staff Schedule CSB-16, Ln. 27
10	335	Hydrants	<u>142,607</u>	Staff Schedule CSB-16, Ln. 32
11			\$ 1,127,974	
12				
13		Total Increase/(Decrease) in Plant In Service	<u>\$ 1,212,607</u>	
14				

New River Utility Company
Test Year Ended December 31, 2011
Rate Base Adjustment RCN-RB4

Exhibit: RLJ-RB-1
Schedule B-3 Rebuttal
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Witness: Jones

Capitalize Expensed Plant (Staff Adj. No. 4)

Line

No.

1 Plant

2 Acct Description

3

4 331 Mains

5 340.1 Computers

6 341 Transportation Equipment

7

8 Total Increase/(Decrease) in Plant In Service

9

Adjustment

Amount

\$ 4,656 Staff Schedule CSB-16, Ln. 38

7,069 Staff Schedule CSB-16, Ln. 36

6,512 Staff Schedule CSB-16, Ln. 37

18,236

New River Utility Company
Test Year Ended December 31, 2011
Rate Base Adjustment RCN-RB5

Exhibit: RLJ-RB-1
Schedule B-3 Rebuttal
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Plant Reclassification (Staff Adj. No. 5)

Line No.	Plant Acct	Description	Adjustment Amount
1			
2			
3			
4	311	Pumping Equipment	26,239 Staff Schedule CSB-16, Ln. 41
5	348	Other Tangible Plant	\$ (26,239)
6			
7		Total Increase/(Decrease) in Plant In Service	<u>-</u>
8			

Unrecorded Plant Retirements (Staff Adj. No. 6)

Line

No.

1	Plant				Adjustment	
2	<u>Acct</u>	<u>Description</u>			<u>Amount</u>	
3						
4	<u>Adj. 6a - Staff Identified Retirements</u>					
5	311	Pumping Equipment			\$ (48,376)	Staff Schedule CSB-16, Ln. 52
6	334	Meters			(4,500)	Staff Schedule CSB-16, Ln. 56
7					\$ (52,876)	
8	<u>Adj. 6b - Post Test Year Retirements</u>					
9	<u>Well No. 6</u>	<u>Original Cost</u>	<u>HW</u>	<u>HW</u>	<u>RCN Cost</u>	
10	311 Weber	\$ 58,659	760	530	\$84,115	Staff Schedule CSB-16, Ln. 54
11	311 Hydro	-	No Related Retirement		-	
12		\$ 58,659			84,115	
13	<u>Well No. 1</u>					
14	311 Weber	\$ 44,447	760	569	\$59,367	
15	311 Hydro	18,423	760	473	29,602	
16		\$ 62,870			88,969	
17						
18	Post Test Year Retirement Well No. 6					\$ (84,115)
19	Post Test Year Retirement Well No. 1					(88,969)
20					\$ (173,084)	
21						
22	Total Increase/(Decrease) in Plant In Service					<u>\$ (225,960)</u>
23						

New River Utility Company
Test Year Ended December 31, 2011
Rate Base Adjustment RCN-RB7

Exhibit: RLJ-RB-1
Schedule B-3 Rebuttal
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Witness: Jones

Accumulated Depreciation (Staff Adj. No. 7)

Line No.	Plant Acct Description	Adjustment Amount	
4	<u>Adj. 7a - A/D Related to Unrecorded Plant</u>		
5	331 Mains	\$ 95,359	Staff Schedule CSB-17, Ln. 31
6	333 Services	32,809	Staff Schedule CSB-17, Ln. 48
7	335 Hydrants	16,489	Staff Schedule CSB-17, Ln. 64
8		\$ 144,657	
9	<u>Adj. 7b - Staff Identified Retirements</u>		
10	311 Pumping Equipment	\$ (48,376)	Staff Schedule CSB-17
11	334 Meters	(4,500)	Staff Schedule CSB-17
12		\$ (52,876)	
13	<u>Adj. 7c - Post Test Year Retirements</u>		
14	311 Post Test Year Retirement Well No. 6	\$ (84,115)	Staff Schedule CSB-17
15	311 Post Test Year Retirement Well No. 1	(88,969)	
16		\$ (173,084)	
17	<u>Adj. 7d - Depreciation Methodology</u>		
18	No Adjustment Necessary for RCND. RCND accumulated		
19	depreciation is based on engineering analysis of remaining useful life.		
20			
21	<u>Adj. 7e - Plant Reclassification</u>		
22	348 Other Tangible Plant	\$ (2,624)	Schedule B-4, Ln. 36
23			
24	Total Increase/(Decrease) in Accumulated Depreciation	\$ (83,927)	
25			

Contributions in Aid of Construction (Staff Adj. No. 8)

Line No.		Adjustment Amount
1		
2		
3	Adj. 8a - AIAC from Last Rate Case (less Refunds)	\$ 2,117,237
4	Adj. 8b - AIAC Related to Unrecorded Plant (Less Refunds)	1,142,411
5		
6	Total Increase/(Decrease) in CIAC	<u>\$ 3,259,648</u>

Adj. 8a - AIAC from Last Rate Case

OC - CIAC by Vintage Year & Total				
MXA Contract	1998 CIAC	1999 CIAC	2000 CIAC	Total
Fulton Homes	-	-	-	-
DeHaven	-	127	52,192	52,319
Beazer	-	-	148,507	148,507
Payne	-	-	-	-
School District	876,516	-	1,228	877,744
Deer Valley Service	-	-	55,045	55,045
Payne Resources	-	-	23,489	23,489
	876,516	127	280,461	1,157,104

Handy Whitman (Mains)				
	1998	1999	2000	2011
HW Index	304	308	315	561
HW Factor	1.85	1.82	1.78	1.00

RCND - CIAC by Vintage Year & Total				
MXA Contract	1998 CIAC	1999 CIAC	2000 CIAC	Total
Fulton Homes	-	-	-	-
DeHaven	-	231	92,951	93,182
Beazer	-	-	264,484	264,484
Payne	-	-	-	-
School District	1,617,518	-	2,187	1,619,705
Deer Valley Service	-	-	98,033	98,033
Payne Resources	-	-	41,833	41,833
	1,617,518	231	499,488	2,117,237

Adj. 8b - AIAC Related to Unrecorded Plant

OC - CIAC by Vintage Year & Total				
MXA Contract	2004 CIAC	2005 CIAC	2006 CIAC	Total
AR Office Park Ph I	175,593	-	-	175,593
AR Office Park Ph II	-	49,868	-	49,868
AR Industrial Park	-	-	103,740	103,740
Cody Farms	-	255,304	-	255,304
Riverstone Ph I	155,331	-	-	155,331
Riverstone Ph II	-	32,899	-	32,899
	330,924	338,071	103,740	772,735

Handy Whitman (Mains)				
	1998	1999	2000	2011
HW Index	357	392	420	561
HW Factor	1.57	1.43	1.34	1.00

RCND - CIAC by Vintage Year & Total				
MXA Contract	1998 CIAC	1999 CIAC	2000 CIAC	Total
AR Office Park Ph I	275,932	-	-	275,932
AR Office Park Ph II	-	71,367	-	71,367
AR Industrial Park	-	-	138,567	138,567
Cody Farms	-	365,371	-	365,371
Riverstone Ph I	244,092	-	-	244,092
Riverstone Ph II	-	47,082	-	47,082
	520,024	483,820	138,567	1,142,411

Amortization of Contributions in Aid of Construction (Staff Adj. No. 9)

Line No.		Adjustment Amount
1		
2		
3	Adj. 9a - Amortization of CIAC from Last Rate Case	\$ 407,623
4	Adj. 9b - Amortization of CIAC Related to Unrecorded Plant	97,222
5		
6	Total Increase/(Decrease) in CIAC Amortization	<u>\$ 504,845</u>

Adj. 9a - Amortization of CIAC from Last Rate Case

OC - Amortization of CIAC by Vintage Year & Total				
MXA Contract	1998 CIAC	1999 CIAC	2000 CIAC	Total
Fulton Homes	-	-	-	-
DeHaven	-	19	8,010	8,029
Beazer	-	-	22,790	22,790
Payne	-	-	-	-
School District	177,757	-	249	178,006
Deer Valley Service	-	-	11,163	11,163
Payne Resources	-	-	2,459	2,459
	<u>177,757</u>	<u>19</u>	<u>44,671</u>	<u>222,447</u>

Handy Whitman (Mains)				
	1998	1999	2000	2011
HW Index	304	308	315	561
HW Factor	1.85	1.82	1.78	1.00

RCND - Amortization of CIAC by Vintage Year & Total				
MXA Contract	1998 CIAC	1999 CIAC	2000 CIAC	Total
Fulton Homes	-	-	-	-
DeHaven	-	35	14,265	14,300
Beazer	-	-	40,588	40,588
Payne	-	-	-	-
School District	328,032	-	443	328,475
Deer Valley Service	-	-	19,881	19,881
Payne Resources	-	-	4,379	4,379
	<u>328,032</u>	<u>35</u>	<u>79,556</u>	<u>407,623</u>

Adj. 9b - Amortization of CIAC Related to Unrecorded Plant

OC - Amortization of CIAC by Vintage Year & Total				
MXA Contract	2004 CIAC	2005 CIAC	2006 CIAC	Total
AR Office Park Ph I	10,292	-	-	10,292
AR Office Park Ph II	-	2,923	-	2,923
AR Industrial Park	-	-	6,080	6,080
Cody Farms	-	26,732	-	26,732
Riverstone Ph I	16,264	-	-	16,264
Riverstone Ph II	-	3,445	-	3,445
	<u>26,556</u>	<u>33,100</u>	<u>6,080</u>	<u>65,736</u>

Handy Whitman (Mains)				
	1998	1999	2000	2011
HW Index	357	392	420	561
HW Factor	1.57	1.43	1.34	1.00

RCND - Amortization of CIAC by Vintage Year & Total				
MXA Contract	2004 CIAC	2005 CIAC	2006 CIAC	Total
AR Office Park Ph I	16,173	-	-	16,173
AR Office Park Ph II	-	4,183	-	4,183
AR Industrial Park	-	-	8,121	8,121
Cody Farms	-	38,257	-	38,257
Riverstone Ph I	25,558	-	-	25,558
Riverstone Ph II	-	4,930	-	4,930
	<u>41,731</u>	<u>47,370</u>	<u>8,121</u>	<u>97,222</u>

Line	No.	Acct	RCN	Depletion Percent	Accumulated Depreciation	RCND
1						
2	No.	Description				
3						
4	301	Organization Cost	\$ -	0.0%	\$ -	\$ -
5	302	Franchise Cost	-	0.0%	-	-
6	303	Land and Land Rights	-	0.0%	-	-
7	304	Structures & Improvements	-	0.0%	-	-
8	305	Collecting & Impounding Reservoirs	-	0.0%	-	-
9	306	Lake, River, Canal Intakes	-	0.0%	-	-
10	307	Wells & Springs	2,368,472.00	88.8%	2,103,419.81	265,052.19
11	308	Infiltration Galleries	-	0.0%	-	-
12	309	Raw Water Supply Mains	-	0.0%	-	-
13	310	Power Generation Equipment	-	0.0%	-	-
14	311	Pumping Equipment	1,216,357.00	52.8%	641,846.46	574,510.54
15	320	Water Treatment Equipment	568,450.00	7.4%	41,837.20	526,612.80
16	320.1	Water Treatment Plants	-	0.0%	-	-
17	320.2	Solution Chemical Feeders	-	0.0%	-	-
18	330	Distribution Reservoirs & Standpipes	2,369,625.00	28.0%	662,511.93	1,707,113.07
19	330.1	Storage Tanks	-	0.0%	-	-
20	330.2	Pressure Tanks	-	0.0%	-	-
21	331	Transmission & Distribution Mains	8,170,084.00	23.7%	1,938,046.76	6,232,037.24
22	333	Services	2,397,643.00	40.1%	961,784.08	1,435,858.92
23	334	Meters	126,139.04	0.0%	112,517.15	13,621.89
24	335	Hydrants	1,810,765.00	22.7%	411,015.55	1,399,749.45
25	336	Backflow Prevention Devices	-	0.0%	-	-
26	339	Other Plant & Misc Equipment	-	0.0%	-	-
27	340	Office Furniture & Equipment	19,272.50	89.1%	17,177.37	2,095.13
28	340.1	Computers & Software	-	0.0%	-	-
29	341	Transportation Equipment	1,200.00	100.0%	1,200.00	-
30	342	Stores Equipment	-	0.0%	-	-
31	343	Tools, Shop & Garage Equipment	-	0.0%	-	-
32	344	Laboratory Equipment	-	0.0%	-	-
33	345	Power Operated Equipment	115,725.00	37.6%	43,555.63	72,169.37
34	346	Communication Equipment	-	0.0%	-	-
35	347	Miscellaneous Equipment	-	0.0%	-	-
36	348	Other Tangible Plant	26,238.91	10.0%	2,623.89	23,615.02
37	TOTALS		\$ 19,189,971	36.2%	\$ 6,937,536	\$ 12,252,436

41 Workpaper:
42 NR RCND Study.xlsx
43

Recap Schedules:
B-3

New River Utility Company
Test Year Ended December 31, 2011
Computation of Working Capital

Exhibit: RLJ-RB-1
Schedule B-5 Rebuttal
Page 1
Witness: Jones

Line		
<u>No.</u>		<u>Working Capital</u>
1		
2	Cash Working Capital	\$ 87,763
3	(Schedule B-5, Page 2)	
4		
5	Material and Supplies Inventories	-
6		
7	Working Funds and Special Deposits	-
8		
9	Prepayments	-
10		
11	Total Working Capital Allowance	<u>\$ 87,763</u>
12		
13	<u>Supporting Schedules:</u>	
14	E-1	
15		

Recap Schedules:
B-1

New River Utility Company
Test Year Ended December 31, 2011
Computation of Working Capital

Exhibit: RLJ-RB-1
Schedule B-5 Rebuttal
Page 2
Witness: Jones

Line		
<u>No.</u>		
1		
2	Operation and Maintenance Expense	\$ 648,849
3	Less depreciation, taxes, purchased	
4	power and purchased water	
5	Factor - 1/8	<u>0.1250</u>
6		\$ 81,106
7		
8	Purchased Power and Purchased Water	\$ 159,775
9	Factor - 1/24	<u>0.0417</u>
10		\$ 6,657
11		
12	Total Cash Working Capital	<u>\$ 87,763</u>
13		
14		

New River Utility Company
Test Year Ended December 31, 2011
Adjusted Test Year Income Statement

Exhibit: RLJ-RB-1
Schedule C-1 Rebuttal
Page 1
Witness: Jones

Line No.		Actual for Test Year Ended 12/31/2011	Total Pro forma Adjustments	Test Year Results After Pro forma Adjustments	Proposed Rate Increase	Adjusted With Rate Increase
1	Revenues					
2	460 Unmetered Water Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
3	461 Metered Water Revenues	1,234,701	-	1,234,701	695,705	1,930,406
4	471 Miscellaneous Service Revenue	25,727	-	25,727	3,060	28,787
5	Total Revenues	<u>\$ 1,260,429</u>	<u>\$ -</u>	<u>\$ 1,260,429</u>	<u>\$ 698,765</u>	<u>\$ 1,959,193</u>
6	Operating Expenses					
7	601 Salaries and Wages	\$ 57,720	\$ 64,480	\$ 122,200		\$ 122,200
8	603 Salaries and Wages - Officers and Directors	210,000	-	210,000		210,000
9	604 Employee Pension and Benefits	22,326	14,400	36,726		36,726
10	610 Purchased Water	-	-	-		-
11	615 Purchased Power	185,913	(26,138)	159,775		159,775
12	618 Chemicals	15,338	(11,957)	3,381		3,381
13	620 Repairs and Maintenance	76,981	12,611	89,592		89,592
14	621 Office Supplies Expense	-	15,466	15,466		15,466
15	631 Contractual Services - Engineering	-	-	-		-
16	632 Contractual Services - Accounting	8,428	(2,423)	6,005		6,005
17	633 Contractual Services - Legal	23,128	(16,231)	6,897		6,897
18	634 Contractual Services - Management Fees	75,000	(75,000)	0		0
19	635 Contractual Services - Testing	-	10,636	10,636		10,636
20	636 Contractual Services - Other	54,479	(7,307)	47,172		47,172
21	641 Rent - Buildings	-	-	-		-
22	642 Rent - Equipment	24,000	-	24,000		24,000
23	650 Transportation Expense	26,580	(10,532)	16,048		16,048
24	656 Insurance - Vehicle	-	-	-		-
25	657 Insurance - General Liability	6,003	-	6,003		6,003
26	658 Insurance - Workman's Compensation	872	-	872		872
27	659 Insurance - Other	-	-	-		-
28	660 Advertising Expense	-	-	-		-
29	666 Regulatory Commission Expense - Rate Case	-	50,000	50,000		50,000
30	667 Regulatory Expense - Other	-	-	-		-
31	668 Water Resource Conservation Expense	-	-	-		-
32	670 Bad Debt Expense	7,688	-	7,688	4,262	11,951
33	675 Miscellaneous Expense	62,186	(16,022)	46,164		46,164
34	403 Depreciation Expense	257,284	(149,702)	107,582		107,582
35	408 Taxes Other Than Income	18,080	5,158	23,238		23,238
36	408.11 Property Taxes	81,484	(21,136)	60,348	11,152	71,500
37	409 Income Tax	-	52,630	52,630	255,168	307,798
38	Total Operating Expenses	<u>\$ 1,213,490</u>	<u>\$ (111,068)</u>	<u>\$ 1,102,422</u>	<u>\$ 270,582</u>	<u>\$ 1,373,004</u>
39	Operating Income	<u>\$ 46,939</u>	<u>\$ 111,068</u>	<u>\$ 158,007</u>	<u>\$ 428,182</u>	<u>\$ 586,189</u>
40	Other Income (Expense)					
41	419 Interest and Dividend Income	\$ 5,436	\$ -	\$ 5,436		\$ 5,436
42	421 Non-Utility Income	-	-	-		-
43	426 Miscellaneous Non-Utility Expenses	(4,161)	-	(4,161)		(4,161)
44	427 Interest Expense	-	-	-		-
45	Total Other Income (Expense)	<u>\$ 1,275</u>	<u>\$ -</u>	<u>\$ 1,275</u>	<u>\$ -</u>	<u>\$ 1,275</u>
46	Net Income (Loss)	<u>\$ 48,214</u>	<u>\$ 111,068</u>	<u>\$ 159,282</u>	<u>\$ 428,182</u>	<u>\$ 587,464</u>

Supporting Schedules:

E-2

C-2

Recap Schedules:

A-1

Income Statement Pro forma Adjustments

Witness: _____ Jones

[illegible]

Exhibit: RLJ-RB-1
Schedule C-2 Rebuttal
Page 2
Witness: Jones

Line No.		Rebuttal		As Filed		Updated Adjustments				Test Year	
		ADJ IS-RB4	ADJ IS-RB5	ADJ IS-13	ADJ IS-14	ADJ IS-15	ADJ IS-16	ADJ IS-17	Total Adjustments	Adjusted Results	
Revenues											
1	460										
2	461										
3	471										
4	Total Revenues	\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$
5	Operating Expenses										
6	601		\$	45,000						\$	64,480
7	603										
8	604										
9	610										
10	615										
11	618										
12	620										
13	621										
14	631										
15	632										
16	633										
17	634										
18	635										
19	636										
20	641										
21	642										
22	650										
23	656										
24	657										
25	658										
26	659										
27	660										
28	666										
29	667										
30	668										
31	670										
32	675										
33	403										
34	408										
35	408										
36	409										
37	Total Operating Expenses	\$	(10,532)	\$	48,600	\$	50,000	\$	-	\$	(149,702)
38	Operating Income	\$	10,532	\$	(48,600)	\$	(50,000)	\$	-	\$	149,702
39	Other Income (Expense)										
40	419										
41	421										
42	426										
43	427										
44	Total Other Income (Expense)	\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$
45	Net Income (Loss)	\$	10,532	\$	(48,600)	\$	(50,000)	\$	-	\$	149,702

Supporting Schedules:

Line

No.

1	<u>Remove New Water Supply Projecct Costs from Expenses</u>	
2		
3	Power costs related to testing wells as a part of New Water Supply Project were expensed.	
4	The capital expenditurs should be removed from operating expenses.	
5		
6	<u>Inactive Wells Considered for New Water Supply</u>	
7	TY Pumping Power Well #3	\$ 20,676.76
8	TY Pumping Power Well #5	382.39
9	TY Pumping Power Well #7	<u>382.39</u>
10	Total TY Pumping Power Inactive Wells	\$ 21,441.54
11		
12	Increase/(Decrease) in Pumping Power Expense	<u>\$ (21,441.54)</u>
13		

New River Utility Company

Test Year Ended December 31, 2011

Income Statement Adjustment IS-2

Exhibit: RLJ-RB-1

Schedule C-2 Rebuttal

Page 4

Witness: Jones

Line

No.

1 Adjust Purchased Power to Reflect Rate Increase During Test Year

2

3 Adjustment to annualize rate increase for Well #1 and Well #2.

4

5 TY Pumping Power Well #1 \$ 43,337.58

6 TY Pumping Power Well #2 38,503.13

7 TY Pumping Power \$ 81,840.71

8

9 Proforma Pumping Power Well #1 \$ 44,484.59

10 Proforma Pumping Power Well #2 39,420.11

11 Proforma Pumping Power \$ 83,904.70

12

13 Increase/(Decrease) in Purchased Power Expense \$ 2,063.99

14

15 Workpaper:

16 NR Rate Case Data.slsx, Tab:Well Power

17

Line

No.

1 Adjust Purchased Power to Remove Personal Expense

2

3 Total Personal Utility Expense Charged to Purchased Power \$ 6,760.40

4

5 Increase/(Decrease) in Purchased Power Expense \$ (6,760.40)

6

7 Workpaper:

8 NR Rate Case Data.xlsx, Tab:Personal Expense

9

New River Utility Company
Test Year Ended December 31, 2011
Income Statement Adjustment IS-4

Exhibit: RLJ-RB-1
Schedule C-2 Rebuttal
Page 6
Witness: Jones

Line

No.

1 Adjust Miscellaneous Expense to Remove Personal Expense

2

3 Total Personal Utility Expense Charged to Miscellaneous Expense \$ 599.35

4

5 Increase/(Decrease) in Miscellaneous Expense \$ (599.35)

6

7 Workpaper:

8 NR Rate Case Data.slsx, Tab:Personal Expense

9

Line

No.

1	<u>Adjust Payroll Expense and Tax to reflect change of employment status</u>	
2		
3	Adjustment for costs associated with part-time employee being	
4	reclassified as a full-time employee.	
5		
6	Annualized payroll cost for Brooklyn Soto as full-time employee	\$ 20,800.00
7	Test Year payroll cost for Brooklyn Soto	1,320.00
8		
9	Increase / (Decrease) in Salaries and Wages	<u>\$ 19,480.00</u>
10		
11	Annualized payroll taxes for Brooklyn Soto as full-time employee	\$ 1,664.00
12	Test Year payroll cost for Brooklyn Soto	105.60
13		
14	Increase / (Decrease) in Taxes Other than Income	<u>\$ 1,558.40</u>
15		

New River Utility Company
Test Year Ended December 31, 2011
Income Statement Adjustment IS-6

Exhibit: RLJ-RB-1
Schedule C-2 Rebuttal
Page 8
Witness: Jones

Line

No.

1 Normalize Tank Coating Expense

2

3 Proposed coating of steel storage tanks and hydropneumatic tanks
4 should be normalized to reflect an average annual cost.

5

6 Projected Tank Coating Costs (2014 - 2016) \$ 470,000

7 Painting Cycle (Years) 15

8 Annualized Cost (15-Yr Painting Cycle) \$ 31,333

9

10 Increase/(Decrease) in Repairs and Maintenance Expense \$ 31,333

11

12 Workpaper:

13 NR Rate Case Data.xlsx, Tab:Tank Coating

14

New River Utility Company
Test Year Ended December 31, 2011
Income Statement Adjustment IS-RB1

Exhibit: RLJ-RB-1
Schedule C-2 Rebuttal
Page 9
Witness: Jones

Line

No.

1 Accept Staff Adjustments

2 Staff

3 Adjustment

Adjustment

4 Number Acct Description

Amount

5

6 1 604 Employee Pension & Benefits \$ 14,400

7 2 618 Chemicals (11,957)

8 4 621 Office Supplies Expense 15,466

9 5 632 Contractual Services - Accounting (2,423)

10 6 633 Contractual Services - Legal (16,231)

11 7 634 Contractual Services - Man. Fees (75,000)

12 8 635 Contractual Services - Testing 10,636

13 14 675 Miscellaneous Expense (16,790)

14 17 675 Interest Expense on Cust. Deposits 1,367

15

16 Increase/(Decrease) in Expenses \$ (80,532)

17

18

New River Utility Company
Test Year Ended December 31, 2011
Income Statement Adjustment IS-RB2

Exhibit: RLJ-RB-1
Schedule C-2 Rebuttal
Page 10
Witness: Jones

Line

No.

1 Partially Accept Staff's Repairs and Maintenance Expense Adjustment (Staff Adj. No. 3)

2 Staff

3 Line

4 Number Acct Description Adjustment
Amount

5 2 620 Inadequately Supported Credit Card Purchases \$ (18,256)

6 4 620 Pro forma from Arsenic Media 15,000

7 5 620 Office Suppl Exp Included in R&M Account (15,466)

8

9 Increase/(Decrease) in Repairs and Maintenance Expense \$ (18,722)

10

11

Calculation of Credit Card Purchase Adjustment
--

12 Total Purchases on Credit Card \$ 27,584 Staff Schedule CSB-25, Ln. 41

13 Unallocated Business Purchases (9,328) Staff Schedule CSB-25, Ln. 37

14 Amount Disallowed \$ 18,256

15

New River Utility Company
Test Year Ended December 31, 2011
Income Statement Adjustment IS-RB3

Exhibit: RLI-RB-1
Schedule C-2 Rebuttal
Page 11
Witness: Jones

Line

No.

1	<u>Partially Accept Staff's Contractual Services, Other Adjustment (Staff Adj. No. 9)</u>			
2	Staff			
3	Line			Adjustment
4	<u>Number</u>	<u>Acct</u>	<u>Description</u>	<u>Amount</u>
5	2	636	Reclassified Chemicals Expense	\$ 11,957
6	3	636	To Reclassify Water Testing Expenses	(13,489)
7	4	636	To Remove Legal Costs Related to Affiliate	(5,775)
8				
9	Increase/(Decrease) in Contractual Services, Other Expense			<u>\$ (7,307)</u>

Calculation of Water Testing Expense Adjustment

	Amount Charged Acct. 636	Amount for Contract Operator Labor	Amount for Water Testing
<u>Reclassified from Chemicals</u>			
Jack Muir Enterprises (8/22/11)	\$ 11,957	\$ 6,300	\$ 5,657
<u>Originally Charged to Acct. 636</u>			
Jack Muir Enterprises (2/16/11)	10,366	9,120	1,246
Jack Muir Enterprises (4/25/11)	9,977	8,475	1,502
Jack Muir Enterprises (6/11/11)	8,837	7,817	1,020
Jack Muir Enterprises (10/8/11)	9,656	7,217	2,439
Jack Muir Enterprises (12/19/11)	9,143	7,518	1,625
Amount Disallowed			\$ 13,489

New River Utility Company
Test Year Ended December 31, 2011
Income Statement Adjustment IS-RB4

Exhibit: RLJ-RB-1
Schedule C-2 Rebuttal
Page 12
Witness: Jones

Line

No.

1 Partially Accept Staff's Transportation Expense Adjustment (Staff Adj. No. 12)

2 Staff

3 Line

4 Number Acct Description

5 4 650 Remove Costs Related to Affiliate

6 5 650 Capitalize Engine Rebuild Costs

7

8 Increase/(Decrease) in Transportaion Expense

9

Adjustment

Amount

\$ (4,020)

(6,512)

\$ (10,532)

Line

No.

1 Adjust Payroll Expense and Tax to Pro Forma Hiring of Accounting Analyst

2

3 Payroll cost for full-time Accounting Analyst \$ 45,000.00

4

5 Increase / (Decrease) in Salaries and Wages \$ 45,000.00

6

7 Annualized payroll taxes for Accounting Analyst \$ 3,600.00

8

9 Increase / (Decrease) in Taxes Other than Income \$ 3,600.00

10

New River Utility Company
Test Year Ended December 31, 2011
Income Statement Adjustment IS-13

Exhibit: RLJ-RB-1
Schedule C-2 Rebuttal
Page 14
Witness: Jones

Adjust Rate Case Expense

Line			
<u>No.</u>			
1	Estimated Rate Case Expense	\$	150,000
2			
3	Amortization Period (Years)		3
4			
5	Annualized Rate Case Expense	\$	50,000
6			
7	Test Year Rate Case Expense		-
8			
9	Increase / (Decrease) in Rate Case Expense		50,000
10			

New River Utility Company

Test Year Ended December 31, 2011
Income Statement Adjustment IS-15

Exhibit: RLJ-RB-1

Schedule C-2 Rebuttal
Page 15
Jones

Witness:

Adjust Depreciation Expense to Reflect Adjusted Plant Balances

Line No.	Acct Description	Adjusted Test Year Balance 12/31/2011	Rebuttal Adjustments	Adjusted Test Year Balance 12/31/2011	Fully Depreciated Vintage Year Groups	Depreciable Plant	Proposed Depreciation Rate	Depreciation Expense
1								
2	301 Organization Cost	\$ -		\$ -			0.00%	\$ -
3	302 Franchise Cost	-		-			0.00%	-
4	303 Land and Land Rights	75,181		75,181		75,181	0.00%	-
5	304 Structures & Improvements	84,633		84,633		84,633	3.33%	2,818
6	305 Collecting & Impounding Reservoirs	-		-		-	2.50%	-
7	306 Lake, River, Canal Intakes	-		-		-	2.50%	-
8	307 Wells & Springs	795,021		795,021		795,021	3.33%	26,474
9	308 Infiltration Galleries	-		-		-	6.67%	-
10	309 Raw Water Supply Mains	-		-		-	2.00%	-
11	310 Power Generation Equipment	-		-		-	5.00%	-
12	311 Pumping Equipment	939,631	39,287	978,918	(677,454)	301,464	8.00%	24,117
13	320 Water Treatment Equipment	383,055		383,055		383,055	3.33%	12,756
14	320.1 Water Treatment Plants	-		-		-	-	-
15	320.2 Solution Chemical Feeders	-		-		-	-	-
16	330 Distribution Reservoirs & Standpipes	1,046,963		1,046,963		1,046,963	2.22%	23,243
17	330.1 Storage Tanks	-		-		-	-	-
18	330.2 Pressure Tanks	-		-		-	-	-
19	331 Transmission & Distribution Mains	1,402,013	545,261	1,947,274		1,947,274	2.00%	38,945
20	333 Services	236,325	114,149	350,474		350,474	3.33%	11,671
21	334 Meters	126,139	(4,830)	121,309		121,309	8.33%	10,105
22	335 Hydrants	193,193	119,896	313,089		313,089	2.00%	6,262
23	336 Backflow Prevention Devices	-		-		-	6.67%	-
24	339 Other Plant & Misc Equipment	-		-		-	6.67%	-
25	340 Office Furniture & Equipment	19,273		19,273		19,273	6.67%	1,285
26	340.1 Computers & Software	-	7,069	7,069		7,069	20.00%	1,414
27	341 Transportation Equipment	1,200	6,512	7,712		7,712	20.00%	1,542
28	342 Stores Equipment	-		-		-	4.00%	-
29	343 Tools, Shop & Garage Equipment	-		-		-	5.00%	-
30	344 Laboratory Equipment	-		-		-	10.00%	-
31	345 Power Operated Equipment	115,725	(8,600)	107,125		107,125	5.00%	5,356
32	346 Communication Equipment	-		-		-	10.00%	-
33	347 Miscellaneous Equipment	-		-		-	10.00%	-
34	348 Other Tangible Plant	-		-		-	20.00%	-
35	TOTALS	26,239	(26,239)	-	-	-	-	-
36		\$ 5,444,591	\$ 792,504	\$ 6,237,095	\$ (677,454)	\$ 5,559,641		\$ 165,989
37	Less: Amortization of CIAC	\$ 1,929,839					3.0265%	\$ 58,407
38								\$ 107,582
39	Adjusted Test Year Depreciation Expense							\$ 257,284
40								\$ (149,702)
41	Test Year Depreciation Expense							
42								
43	Increase / (Decrease) in Depreciation Expense							

New River Utility Company
Test Year Ended December 31, 2011
Income Statement Adjustment IS-16

Exhibit: RLJ-RB-1
Schedule C-2 Rebuttal
Page 16
Witness: Jones

Adjust Property Tax Expense to Reflect Adjusted Test Year and Proposed Revenues

Line No.	Description	Company As Adjusted	Company Proposed
1	Adjusted Test Year Revenue	\$ 1,260,429	\$ 1,260,429
2	Adjusted Test Year Revenue	1,260,429	1,260,429
3	Adjusted Test Year Revenue	1,260,429	
4	Proposed Revenues after Increase		1,959,193
5	Average of three year's of revenue	1,260,429	1,493,350
6	Average of three year's of revenue, times 2	2,520,857	2,986,700
7	Add:		
8	Construction Work In Progress at 10%	-	-
9	Deduct:		
10	Net Book Value of Transportation Equipment	-	-
11			
12	Full Cash Value	2,520,857	2,986,700
13	Assessment Ratio	20.0%	20.0%
14	Assessed Value	504,171	597,340
15	Property Tax Rate (2012 Tax Year)	11.9697%	11.9697%
16			
17	Adjusted Test Year Property Tax	\$ 60,348	
18	Recorded Test Year Property Tax	81,484	
19	Test Year Adjustment	\$ (21,136)	
20			
21	Property Tax at Proposed Rates		\$ 71,500
22	Adjusted Test Year Property Tax		60,348
23	Increase in Property Tax due to Rate Increase		<u>\$ 11,152</u>
24			
25	<u>Calculation of Property Tax Factor</u>		
26	Increase to Property Tax Expense		\$ 11,152
27	Increase in Revenue Requirement		<u>\$ 698,765</u>
28	Property Tax Factor (L25 / L26)		1.5960%
29			

Adjust Income Tax Expense to Reflect Adjusted Test Year and Proposed Revenues

Line No.	Description	Adjusted Test Year	Proposed with Increase
1			
2	<u>Calculation of Income Tax:</u>		
3	Revenue	\$ 1,260,429	\$ 1,959,193
4	Less: Operating Expenses (Excluding Income Taxes)	1,049,792	1,065,207
5	Less: Synchronized Interest	-	-
6	Arizona Taxable Income (Married Filing Jointly)	\$ 210,636	\$ 893,987
7	<u>Over</u> <u>But not Over</u> <u>Amount plus</u> <u>%</u>		
8	\$ - \$ 20,000 \$ - 2.5900%	\$ -	\$ -
9	20,000 50,000 (58.00) 2.8800%	-	-
10	50,000 100,000 (298.00) 3.3600%	-	-
11	100,000 300,000 (1,178.00) 4.2400%	7,753	-
12	300,000 999,999,999 (2,078.00) 4.5400%	-	38,509
13	Arizona Income Tax	\$ 7,753	\$ 38,509
14	Federal Taxable Income (Married Filing Jointly)	\$ 202,883	\$ 855,478
15	<u>Over</u> <u>But not Over</u> <u>Amount plus</u> <u>%</u>		
16	\$ - \$ 17,000 \$ - 10.0000%	\$ -	\$ -
17	17,000 69,000 1,700.00 15.0000%	-	-
18	69,000 139,350 9,500.00 25.0000%	-	-
19	139,350 212,300 27,087.50 28.0000%	44,877	-
20	212,300 379,150 47,513.50 33.0000%	-	-
21	379,150 9,999,999,999 102,574.00 35.0000%	-	269,289
22	Total Federal Income Tax	\$ 44,877	\$ 269,289
23			
24	Combined Federal and State Income Tax	\$ 52,630	\$ 307,798
25			
26	Effective State Tax Rate	3.6807%	4.3076%
27	Effective Federal Tax Rate	22.1195%	31.4782%
28	Effective Combined Tax Rate	24.9861%	34.4298%
29			
30	Applicable Arizona State Income Tax Rate (Rate Applicable to Revenue Increase)		4.5008%
31	Applicable Federal Income Tax Rate (Rate Applicable to Revenue Increase)		34.3876%
32			
33	<u>Calculation of Interest Synchronization</u>		
34	Rate Base \$ 2,568,998		
35	Weighted Average Cost of Debt 0.000%		
36	Synchronized Interest \$ -		
37			
38	<u>Income Tax Adjustments</u>		
39	Test Year Income Taxes - Booked	\$ -	
40	Increase / (decrease) in Income Taxes (L21 - L32)	52,630	
41			
42	Test Year Income Taxes - Adjusted		\$ 52,630
43	Increase / (decrease) in Federal Income Taxes (L21 - L35)		255,168
44			
45			

Line

No. Calculation of Gross Revenue Conversion Factor

1	Revenue	100.0000%
2	Uncollectable Factor (Line 11)	0.3822%
3	Revenue (L1 - L2)	99.6178%
4	Combined Income Tax and Property Tax Rate (Line 23)	38.3407%
5	Operating Income Percentage (L3 - L4)	61.2771%
6	Gross Revenue Conversion Factor (L1 / L5)	1.631932

Calculation of Uncollectable Factor

7	Unity	100.0000%
8	Combined Federal and State Tax Rate (Line 17)	37.3407%
9	One Minus Combined Federal and State Tax Rate (L7 - L8)	62.6593%
10	Uncollectable Rate (Line 26)	0.6100%
11	Uncollectable Factor (L9 * L10)	0.3822%

Calculation of Effective Tax Rate

12	Operating Income Before Taxes	100.0000%
13	Applicable Arizona State Tax Rate (from Schedule C-2)	4.5008%
14	Federal Taxable Income (L12 - L13)	95.4992%
15	Applicable Federal Tax Rate (from Schedule C-2)	34.3876%
16	Effective Federal Tax Rate (L14 * L15)	32.8399%
17	Combined Federal and State Tax Rate (L13 + L16)	37.3407%

Calculation of Effective Property Tax Rate

18	Unity	100.0000%
19	Combined Federal and State Tax Rate (Line 17)	37.3407%
20	One Minus Combined Income Tax Rate (L18 - L19)	62.6593%
21	Property Tax Factor (from Schedule C-2)	1.5960%
22	Effective Property Tax Factor (L20 * L21)	1.0000%
23	Combined Federal and State Income Tax Rate and Property Tax Rate (L17 + L22)	38.3407%

Calculation of Uncollectable Rate

24	Bad Debt Expense (from Schedule C-1)	\$ 7,688
25	Total Revenues (from Schedule C-1)	1,260,429
26	Uncollectable Rate (L24 / L25)	0.6100%
27	Revenue Increase (from Schedule C-1)	\$ 698,765
28	Uncollectable Rate (Line 26)	0.6100%
29	Bad Debt Expense due to Increase	\$ 4,262

Supporting Schedules:

31

Recap Schedules:

A-1

Line No.	Invested Capital	End of Test Year (Adjusted)			End of Projected Year (Current Rates)			End of Projected Year (Proposed Rates)					
		Amount	Percent of Total	Cost Rate	Weighted Cost	Amount	Percent of Total	Cost Rate	Weighted Cost	Amount	Percent of Total	Cost Rate	Weighted Cost
1													
2	Long-Term Debt	\$ -	0.00%	0.0000%	0.0000%	\$ -	0.00%	0.0000%	0.0000%	\$ -	0.00%	0.0000%	0.0000%
3													
4	Short-Term Debt	\$ -	0.00%	0.0000%	0.0000%	\$ -	0.00%	0.0000%	0.0000%	\$ -	0.00%	0.0000%	0.0000%
5													
6	Adjusted Common Equity	\$ 4,267,425	100.00%	10.0000%	10.0000%	\$ 4,421,266	100.00%	10.0000%	10.0000%	\$ 4,849,449	100.00%	10.0000%	10.0000%
7													
8	Totals	\$ 4,267,425	100.00%		10.0000%	\$ 4,421,266	100.00%		10.0000%	\$ 4,849,449	100.00%		10.0000%

11	Calculation of Fair Value Return Inflation Adjustment	
12	20-Year Treasury Yield (as of 10-22-12)	2.570%
13	Less: 20-Year Treasury Real Yield (as of 10-22-12)	0.010%
14	Return Due to Inflation	2.560%
15	Times: 50% factor (No inflation on OCRB)	0.50
16	Fair Value Inflation Adjustment	1.280%
17		

18	Calculation of Fair Value Cost of Capital	
19		
20		
21		
22		
23	Long-Term Debt	\$ -
24		
25	Short-Term Debt	\$ -
26		
27	Adjusted Common Equity	\$ 4,267,425
28		
29	Totals	\$ 4,267,425
30		
31		

32	Equity Adjustments	
33	Common Equity per Sch. E-1	\$ 3,811,626
34		
35	PIS Equity Adjustments	\$ 77,008
36	A/D Equity Adjustments	378,792
37	AIAC Equity Adjustment	-
38	CIAC Equity Adjustment	-
39	AA CIAC Equity Adjustment	-
40		
41	Adjusted Common Equity	\$ 4,267,425
42		
43		

44	Supporting Schedules:	
45	D-2 D-3	
46	D-4 E-1	
47		

New River Utility Company
Test Year Ended December 31, 2011
Cost of Long-Term and Short-Term Debt

Exhibit: RLJ-RB-1
Schedule D-2 Rebuttal
Page 1
Witness: Jones

Line No.		End of Test Year			End of Projected Year		
		Amount Outstanding	Annual Interest	Interest Rate	Amount Outstanding	Annual Interest	Interest Rate
4	<u>Long-Term Debt</u>						
5	None Outstanding						
6							
7							
8	Total Long-Term Debt	\$ -	\$ -		\$ -	\$ -	
9							
10	<u>Short-Term Debt</u>						
11	None Outstanding						
12							
13							
14	Total Short-Term Debt	\$ -	\$ -		\$ -	\$ -	
15							
16	Total All Debt	\$ -	\$ -		\$ -	\$ -	
17							
18							
19	<u>Supporting Schedules:</u>				<u>Recap Schedules:</u>		
20	E-1				D-1		
21							

New River Utility Company
Test Year Ended December 31, 2011
Cost of Preferred Stock

Exhibit: RLJ-RB-1
Schedule D-3 Rebuttal
Page 1
Witness: Jones

Line
No.

- 1
- 2 Not Applicable - No preferred stock issued or outstanding
- 3
- 4 Supporting Schedules:
- 5
- 6

Recap Schedules:
D-1

Line
No.

- 1
- 2 New River Utility Company is proposing an 10.0% cost of common equity per its filed testimony
- 3
- 4 Supporting Schedules:
- 5
- 6

Recap Schedules:
D-1

New River Utility Company
Test Year Ended December 31, 2011
Comparative Balance Sheet

Exhibit: RLJ-RB-1
Schedule E-1 Rebuttal
Page 1
Witness: Jones

Line No.		Test Year Ended 12/31/2011	Prior Year Ended 12/31/2010	Prior Year Ended 12/31/2009
1	ASSETS			
2	PROPERTY PLANT AND EQUIPMENT			
3	101 Utility Plant In Service	\$ 5,373,333	\$ 5,366,747	\$ 5,164,497
4	103 Property Held for Future Use	-		
5	105 Construction Work in Progress	-		
6	108 Less: Accumulated Depreciation	(2,685,382)	(2,460,885)	(2,340,169)
7	Net Plant	<u>\$ 2,687,951</u>	<u>\$ 2,905,862</u>	<u>\$ 2,824,327</u>
8				
9	CURRENT ASSETS			
10	131 Cash and Equivalents	\$ 42,842	\$ 47,390	\$ 51,167
11	132 Special Deposits	-		
12	141 Customer Accounts Receivable	103,114	100,554	33,657
13	146 Notes/Receivables from Associated Companies	1,018,247	722,181	854,553
14	151 Plant Materials and Supplies	-		
15	162 Prepayments	-		
16	174 Miscellaneous Current and Accrued Assets	-		
17	Total Current Assets	<u>\$ 1,164,203</u>	<u>\$ 870,125</u>	<u>\$ 939,377</u>
18				
19	DEFERRED DEBITS			
20	186 Deferred Debits	\$ -		
21				
22	TOTAL ASSETS	<u>\$ 3,852,154</u>	<u>\$ 3,775,987</u>	<u>\$ 3,763,704</u>
23				
24	LIABILITIES AND STOCKHOLDERS' EQUITY			
25	CAPITAL ACCOUNTS			
26	201 Common Stock Issued	\$ 100	\$ 100	\$ 100
27	211 Paid in Capital	4,163,618	4,163,618	4,163,618
28	215 Retained Earnings	(352,093)	(400,307)	(443,876)
29	Total Capital	<u>\$ 3,811,626</u>	<u>\$ 3,763,411</u>	<u>\$ 3,719,843</u>
30				
31	LONG-TERM DEBT			
32	221 Bonds	-		
33	224 Other Long-Term Debt	-		
34	Total long-Term Debt	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
35				
36	CURRENT LIABILITIES			
37	231 Accounts Payable	\$ 10,186	\$ 12,576	\$ 33,237
38	232 Notes Payable	-		
40	234 Payable to Associated Companies	-		
41	235 Customer Deposits	22,784		
42	236 Accrued Taxes	7,559		10,624
43	237 Accrued Interest	-		
44	241 Miscellaneous Current Liabilities	-		
45	Total Current Liabilities	<u>\$ 40,529</u>	<u>\$ 12,576</u>	<u>\$ 43,861</u>
46				
47	DEFERRED CREDITS			
48	252 Advances in Aid of Construction	\$ -		
49	271 Contributions in Aid of Construction	-		
50	272 Accumulated Amortization CIAC	-		
51	281 Accumulated Deferred Income Tax	-		
52	Total Deferred Credits	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
53				
54	Total Liabilities & Common Equity	<u>\$ 3,852,154</u>	<u>\$ 3,775,987</u>	<u>\$ 3,763,704</u>

56 Supporting Schedules:
57 E-5

Workpapers:
NR Rate Case Data.xlsx, Tab:2011 GL

Recap Schedules:
A-3

New River Utility Company
Test Year Ended December 31, 2011
Comparative Income Statements

Exhibit: RLJ-RB-1
Schedule E-2 Rebuttal
Page 1
Witness: Jones

Line No.		Test Year Ended 12/31/2011	Prior Year Ended 12/31/2010	Prior Year Ended 12/31/2009
1	Revenues			
2	460 Unmetered Water Revenue	\$ -	\$ -	\$ -
3	461 Metered Water Revenues	1,234,701	1,274,051	1,458,334
4	471 Miscellaneous Service Revenue	25,727	-	-
5	Total Revenues	\$ 1,260,429	\$ 1,274,051	\$ 1,458,334
6	Operating Expenses			
7	601 Salaries and Wages	\$ 57,720	\$ 56,000	\$ 56,000
8	603 Salaries and Wages - Officers and Directors	210,000	-	-
8	604 Employee Pension and Benefits	22,326	18,804	-
9	610 Purchased Water	-	-	-
10	615 Purchased Power	185,913	131,754	126,921
11	618 Chemicals	15,338	8,047	13,113
12	620 Repairs and Maintenance	76,981	74,097	70,293
13	621 Office Supplies Expense	-	3,185	-
14	631 Contractual Services - Engineering	-	-	-
15	632 Contractual Services - Accounting	8,428	-	-
16	633 Contractual Services - Legal	23,128	-	-
17	634 Contractual Services - Management Fees	75,000	500,000	500,000
18	635 Contractual Services - Testing	-	34,293	25,111
19	636 Contractual Services - Other	54,479	30,409	23,587
20	641 Rent - Buildings	-	-	-
21	642 Rent - Equipment	24,000	24,000	60,000
22	650 Transportation Expense	26,580	6,372	4,679
23	656 Insurance - Vehicle	-	-	-
24	657 Insurance - General Liability	6,003	5,378	11,694
25	658 Insurance - Workman's Compensation	872	786	1,225
26	659 Insurance - Other	-	-	-
27	660 Advertising Expense	-	-	-
28	666 Regulatory Commission Expense - Rate Case	-	-	-
29	667 Regulatory Expense - Other	-	-	-
30	668 Water Resource Conservation Expense	-	-	-
31	670 Bad Debt Expense	7,688	-	-
32	675 Miscellaneous Expense	62,186	56,142	39,799
33	403 Depreciation Expense	257,284	234,861	199,180
34	408 Taxes Other Than Income	18,080	4,399	113,030
35	408.11 Property Taxes	81,484	47,583	92,869
36	409 Income Tax	-	-	-
37	Total Operating Expenses	\$ 1,213,490	\$ 1,236,111	\$ 1,337,501
38	Operating Income	\$ 46,939	\$ 37,940	\$ 120,833
39	Other Income (Expense)			
40	419 Interest and Dividend Income	\$ 5,436	\$ 5,629	\$ 5,483
41	421 Non-Utility Income	-	-	1,332
42	426 Miscellaneous Non-Utility Expenses	(4,161)	-	-
43	427 Interest Expense	-	-	-
44	Total Other Income (Expense)	\$ 1,275	\$ 5,629	\$ 6,815
45	Net Income (Loss)	\$ 48,214	\$ 43,569	\$ 127,648

Workpapers:
NR Rate Case Data.xlsx, Tabs: 2011 GL, IS FS

Recap Schedules:
A-2

New River Utility Company

Test Year Ended December 31, 2011

Comparative Statement of Changes in Financial Position

Exhibit: RLJ-RB-1

Schedule E-3 Rebuttal

Page 1

Witness: Jones

Line No.		Test Year Ended 12/31/2011	Prior Year Ended 12/31/2010	Prior Year Ended 12/31/2009
1	<u>Source of Funds</u>			
2	Cash Flow from Operations:			
3	Net Income	\$ 48,214	\$ 43,569	\$ 127,648
4	Adjustments to reconcile net income to net cash			
5	403 Depreciation and Amortization	257,284	234,861	199,180
6	410 Deferred Income Tax	-	-	-
7	Other Adjustments	3,213	-	-
8	Changes in Assets & Liabilities			
9	141 Customer Accounts Receivable	(2,560)	(66,897)	(33,657)
10	146 Notes/Receivables from Associated Companies	(296,066)	132,371	(5,483)
11	151 Plant Materials and Supplies	-	-	-
12	162 Prepayments	-	-	-
13	174 Miscellaneous Current and Accrued Assets	-	-	-
14	183 Special Deposits	-	-	-
15	186 Deferred Debits	-	-	-
16	231 Accounts Payable	(2,390)	(20,662)	33,237
17	232 Notes Payable	-	-	-
18	234 Payable to Associated Companies	-	-	-
19	235 Customer Deposits	22,784	-	(46,195)
20	236 Accrued Taxes	7,559	(10,624)	9,213
21	237 Accrued Interest	-	-	-
22	241 Miscellaneous Current Liabilities	-	-	-
23	Total From Operations	<u>\$ 38,038</u>	<u>\$ 312,619</u>	<u>\$ 283,944</u>
24				
25	Cash Flow from Financing:			
26	221 Bonds	-	-	-
27	224 Long-Term Debt	-	-	-
28	252 Advances in Aid of Construction	-	-	-
29	271 Contributions in Aid of Construction	-	-	-
30	211 Paid in Capital	-	-	-
31	Total From Financing	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
32				
33	<u>Application of Funds</u>			
34	Cash Flow from Investing Activities			
35	Capital Expenditures	(42,586)	(316,395)	(72,000)
36	Dividends Paid			(169,153)
37	Other			
38	Total From Investing Activities	<u>\$ (42,586)</u>	<u>\$ (316,395)</u>	<u>\$ (241,153)</u>
39				
40	Net Increase/(Decrease) in Cash	\$ (4,548)	\$ (3,776)	\$ 42,790
41				
42	Cash, Beginning of Year	<u>\$ 47,390</u>	<u>\$ 51,167</u>	<u>\$ 8,376</u>
43	Cash, End of Year	<u>\$ 42,842</u>	<u>\$ 47,390</u>	<u>\$ 51,167</u>
44				
45				
46				

Workpapers:

NR Rate Case Data.xlsx, Tabs: 2011 GL, IS FS, NARUC Plt Add - Retire

Recap Schedules:

A-5

Exhibit: RLJ-RB-1
Schedule E-4 Rebuttal
Page 1
Witness: Jones

[illegible]

New River Utility Company
Test Year Ended December 31, 2011
Detail of Utility Plant

Exhibit: RLJ-RB-1
Schedule E-5 Rebuttal
Page 1
Witness: Jones

Line	Acct.		Plant	Plant	Plant
No.	No.	Plant Description	Balance	Additions,	Balance
			at	Reclassifications	at
			12/31/2010	or	12/31/2011
				Retirements	
1					
2	301	Organization Cost	\$ -	\$ -	\$ -
3	302	Franchise Cost	-	-	-
4	303	Land and Land Rights	75,181	-	75,181
5	304	Structures & Improvements	84,633	-	84,633
6	305	Collecting & Impounding Reservoirs	-	-	-
7	306	Lake, River, Canal Intakes	-	-	-
8	307	Wells & Springs	808,187	-	808,187
9	308	Infiltration Galleries	-	-	-
10	309	Raw Water Supply Mains	-	-	-
11	310	Power Generation Equipment	-	-	-
12	311	Pumping Equipment	949,008	-	949,008
13	320	Water Treatment Equipment	381,395	1,660	383,055
14	320.1	Water Treatment Plants	-	-	-
15	320.2	Solution Chemical Feeders	-	-	-
16	330	Distribution Reservoirs & Standpipes	1,047,248	-	1,047,248
17	330.1	Storage Tanks	-	-	-
18	330.2	Pressure Tanks	-	-	-
19	331	Transmission & Distribution Mains	1,303,088	-	1,303,088
20	333	Services	236,325	-	236,325
21	334	Meters	112,516	12,713	125,229
22	335	Hydrants	193,193	-	193,193
23	336	Backflow Prevention Devices	-	-	-
24	339	Other Plant & Misc Equipment	-	-	-
25	340	Office Furniture & Equipment	18,498	775	19,273
26	340.1	Computers & Software	-	-	-
27	341	Transportation Equipment	41,750	(34,800)	6,950
28	342	Stores Equipment	-	-	-
29	343	Tools, Shop & Garage Equipment	-	-	-
30	344	Laboratory Equipment	-	-	-
31	345	Power Operated Equipment	115,725	-	115,725
32	346	Communication Equipment	-	-	-
33	347	Miscellaneous Equipment	-	-	-
34	348	Other Tangible Plant	-	26,239	26,239
35					
36		TOTAL WATER PLANT	\$ 5,366,747	\$ 6,586	\$ 5,373,333

Workpapers:

NR Rate Case Data.xlsx, Tabs: NARUC Plt Bal, NARUC Plt Add - Retire, Plant Per
Books

Recap Schedules:

E-1
A-4

New River Utility Company
Test Year Ended December 31, 2011
Operating Statistics

Exhibit: RLJ-RB-1
Schedule E-7 Rebuttal
Page 1
Witness: Jones

Line No.		Test Year Ended <u>12/31/2011</u>	Prior Year Ended <u>12/31/2010</u>	Prior Year Ended <u>12/31/2009</u>
1				
2	Gallons Sold - By Class of Service (Thousands)			
3	All Customers	573,721	556,356	611,833
9				
10	Average Number of Customers			
12	All Customers	2,924	2,884	2,835
17				
18	Gallons Per Customer	196,211	192,911	215,814
19				
20	Revenue Per Customer	\$ 422	\$ 442	\$ 514
21				
22	Pumping Cost Per 1,000 Gallons	\$ 0.3240	\$ 0.2368	\$ 0.2074
23				

New River Utility Company
Test Year Ended December 31, 2011
Taxes Charged to Operations

Exhibit: RLJ-RB-1
Schedule E-8 Rebuttal
Page 1
Witness: Jones

Line No.	Description	Test Year Ended <u>12/31/2011</u>	Prior Year Ended <u>12/31/2010</u>	Prior Year Ended <u>12/31/2009</u>
1				
2				
3	Federal Income Tax			
4	State Income Tax			
5	Payroll Tax	18,080	4,399	4,581
6	Property Tax	81,484	47,583	92,869
7				
8	Totals	<u>\$ 99,564</u>	<u>\$ 51,982</u>	<u>\$ 97,450</u>

9

10 Workpapers:

Recap Schedules:

11 VU 2007-2011 Financial Data.xlsx - P&L, Inc Tax

12

Line

No.

1

2 The Company does not conduct independent audits.

3

4 The Company uses the NARUC System of Accounts.

5

6

7

8

9 Supporting Schedules:

10

11

Recap Schedules:

New River Utility Company
Test Year Ended December 31, 2011
Projected Income Statements - Present and Proposed Rates

Exhibit: RLJ-RB-1
Schedule F-1 Rebuttal
Page 1
Witness: Jones

Line No.		Actual Test Year Ended 12/31/2011	At Present Rates Year Ended 12/31/2012	At Proposed Rates Year Ended 12/31/2012
1	Revenues			
2	460 Unmetered Water Revenue	\$ -	\$ -	\$ -
3	461 Metered Water Revenues	1,234,701	1,234,701	1,930,406
4	471 Miscellaneous Service Revenue	25,727	25,727	28,787
5	Total Revenues	<u>\$ 1,260,429</u>	<u>\$ 1,260,429</u>	<u>\$ 1,959,193</u>
6	Operating Expenses			
7	601 Salaries and Wages	\$ 57,720	\$ 125,866	\$ 125,866
8	604 Employee Pension and Benefits	22,326	37,828	37,828
9	610 Purchased Water	-	-	-
10	615 Purchased Power	185,913	159,775	159,775
11	618 Chemicals	15,338	3,432	3,432
12	620 Repairs and Maintenance	76,981	90,936	90,936
13	621 Office Supplies Expense	-	15,698	15,698
14	631 Contractual Services - Engineering	-	-	-
15	632 Contractual Services - Accounting	8,428	6,095	6,095
16	633 Contractual Services - Legal	23,128	7,001	7,001
17	634 Contractual Services - Management Fees	75,000	0	0
18	635 Contractual Services - Testing	-	10,796	10,796
19	636 Contractual Services - Other	54,479	47,879	47,879
20	641 Rent - Buildings	-	-	-
21	642 Rent - Equipment	24,000	24,360	24,360
22	650 Transportation Expense	26,580	16,288	16,288
23	656 Insurance - Vehicle	-	-	-
24	657 Insurance - General Liability	6,003	6,093	6,093
25	658 Insurance - Workman's Compensation	872	885	885
26	659 Insurance - Other	-	-	-
27	660 Advertising Expense	-	-	-
28	666 Regulatory Commission Expense - Rate Case	-	50,750	50,750
29	667 Regulatory Expense - Other	-	-	-
30	668 Water Resource Conservation Expense	-	-	-
31	670 Bad Debt Expense	7,688	7,688	11,951
32	675 Miscellaneous Expense	62,186	46,856	46,856
33	403 Depreciation Expense	257,284	107,582	107,582
34	408 Taxes Other Than Income	18,080	23,238	23,238
35	408.11 Property Taxes	81,484	60,348	71,500
36	409 Income Tax	-	52,630	307,798
37	Total Operating Expenses	<u>\$ 1,213,490</u>	<u>\$ 1,112,023</u>	<u>\$ 1,382,606</u>
38	Operating Income	<u>\$ 46,939</u>	<u>\$ 148,405</u>	<u>\$ 576,588</u>
39	Other Income (Expense)			
40	419 Interest and Dividend Income	\$ 5,436	\$ 5,436	\$ 5,436
41	421 Non-Utility Income	-	-	-
42	426 Miscellaneous Non-Utility Expenses	(4,161)	-	-
43	427 Interest Expense	-	-	-
44	Total Other Income (Expense)	<u>\$ 1,275</u>	<u>\$ 5,436</u>	<u>\$ 5,436</u>
45	Net Income (Loss)	<u>\$ 48,214</u>	<u>\$ 153,841</u>	<u>\$ 582,023</u>
46				
47	<u>Supporting Schedules:</u>		<u>Recap Schedules:</u>	
48	E-2		A-2	
49				

New River Utility Company

Test Year Ended December 31, 2011

Projected Changes In Financial Position - Present and Proposed Rates

Exhibit: RLJ-RB-1

Schedule F-2 Rebuttal

Page 1

Witness: Jones

Line No.		Test Year Ended <u>12/31/2011</u>	At Present Rates Year Ended <u>12/31/2012</u>	At Proposed Rates Year Ended <u>12/31/2012</u>
1	<u>Source of Funds</u>			
2	Cash Flow from Operations:			
3	Net Income	\$ 48,214	\$ 153,841	\$ 582,023
4	Adjustments to reconcile net income to net cash			
5	403 Depreciation and Amortization	257,284	107,582	107,582
6	281 Deferred Income Tax	-		
7	Other Adjustments	3,213		
8	Changes in Assets & Liabilities			
9	141 Customer Accounts Receivable	(2,560)		
10	146 Notes/Receivables from Associated Companies	(296,066)		
11	151 Plant Materials and Supplies	-		
12	162 Prepayments	-		
13	174 Miscellaneous Current and Accrued Assets	-		
14	183 Special Deposits	-		
15	186 Deferred Debits	-		
16	231 Accounts Payable	(2,390)		
17	232 Notes Payable	-		
18	234 Payable to Associated Companies	-		
19	235 Customer Deposits	22,784		
20	236 Accrued Taxes	7,559		
21	237 Accrued Interest	-		
22	241 Miscellaneous Current Liabilities	-		
23	Total From Operations	<u>\$ 38,038</u>	<u>\$ 261,423</u>	<u>\$ 689,605</u>
24				
25	Cash Flow from Financing:			
26	221 Bonds	-		
27	224 Long-Term Debt	-	-	-
28	252 Advances in Aid of Construction	-		
29	271 Contributions in Aid of Construction	-	-	-
30	211 Paid in Capital	-		
31	Total From Financing	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
32				
33	<u>Application of Funds</u>			
34	Cash Flow from Investing Activities			
35	Capital Expenditures	(42,586)	(25,000)	(25,000)
36	Dividends Paid	-	-	-
37	Other	-	-	-
38	Total From Investing Activities	<u>\$ (42,586)</u>	<u>\$ (25,000)</u>	<u>\$ (25,000)</u>
39				
40	Net Increase/(Decrease) in Cash	\$ (4,548)	\$ 236,423	\$ 664,605
41				
42	Cash, Beginning of Year	<u>\$ 47,390</u>	<u>\$ 42,842</u>	<u>\$ 42,842</u>
43	Cash, End of Year	<u>\$ 42,842</u>	<u>\$ 279,265</u>	<u>\$ 707,447</u>
44				
45				
46	<u>Supporting Schedules:</u>		<u>Recap Schedules:</u>	
47	E-3		A-5	
48	F-3			
49				

New River Utility Company
Test Year Ended December 31, 2011
Projected Construction Requirements

Exhibit: RLJ-RB-1
Schedule F-3 Rebuttal
Page 1
Witness: Jones

Line

No.

	Actual	Projected		
	Test Year	Thru	Thru	Thru
	<u>12/31/2011</u>	<u>12/31/2012</u>	<u>12/31/2013</u>	<u>12/31/2014</u>
1				
2				
3	<u>Property Classification</u>			
4				
5	Intangible Plant	\$ -		
6				
7	Source of Supply and Pumping Plant	-	150,000	150,000
8				
9	Water Treatment Plant	1,660		
10				
11	Transmission and Distribution Plant	12,713	20,000	20,000
12				
13	General Plant	28,213	5,000	5,000
14				
15	Total Plant	<u>\$ 42,586</u>	<u>\$ 25,000</u>	<u>\$ 175,000</u>
16				

17

18 Workpapers:

Recap Schedules:

19

F-2 A-4

20

New River Utility Company
Test Year Ended December 31, 2011
Assumptions Used in Developing Projection

Exhibit: RLJ-RB-1
Schedule F-4 Rebuttal
Page 1
Witness: Jones

Line

No.

- 1
- 2 No Customer Growth
- 3
- 4 No Change in Per Customer Consumption
- 5
- 6 Per Test Year Adjustments
- 7
- 8 Salaries and Pensions increase by 3.0%
- 9
- 10 All other expenses increased by 1.5%
- 11
- 12 Supporting Schedules:
- 13
- 14

Recap Schedules:

New River Utility Company

Test Year Ended December 31, 2011

Summary of Revenues by Customer Classification - Present and Proposed Rates

Exhibit: RLJ-RB-1

Schedule H-1 Rebuttal

Page 1

Witness: Jones

Line No.	Customer Classification	Revenues in the Test Year		Proposed Increase	
		Present Rates	Proposed Rates	Amount	%
1					
2	Metered Water Revenue				
3	All Customers	1,234,480	1,930,568	696,088	56.39%
4					
5	Other Water Revenue	25,727	28,787	3,060	11.89%
6					
7	Total Water Revenues	<u>\$ 1,260,208</u>	<u>\$ 1,959,355</u>	<u>\$ 699,148</u>	55.48%
8					
9	<u>Reconciliation</u>				
10	Bill Count Revenue	\$ 1,260,208			
11	Water Revenues per G.L.	<u>1,260,429</u>			
12	Unreconciled Difference	\$ (221)			
13	Percentage Difference	-0.02%			
14					
15					
16	<u>Supporting Schedules:</u>			<u>Recap Schedules:</u>	
17	H-2			A-1	
18					

Line No.	Description	Average Number Customers	Average Consumption	Revenues		Proposed	
				Present Rates	Proposed Rates	Increase Amount	Increase %
1							
5	<u>Metered Water Revenue</u>						
6	R1 - 5/8" x 3/4" Meter	2,240	11,183	\$ 584,840	\$ 890,700	\$ 305,860	52.30%
7	R2 - 3/4" Meter	3	41,194	2,524	4,411	1,887	74.75%
8	R3 - 1" Meter	546	16,126	\$ 265,658	\$ 423,211	157,553	59.31%
9	R4 - 1.5" Meter	11	43,727	13,801	22,492	8,691	62.97%
10	R5 - 2" Meter	114	211,650	313,479	509,045	195,566	62.39%
11	R6 - 3" Meter	6	336,106	21,683	33,707	12,024	55.46%
12	R7 - 4" Meter						
13	R8 - 6" Meter	2	146,875	14,496	20,603	6,107	42.13%
15	R9 - 8" Meter	2	-	18,000	26,400	8,400	46.67%
16	Standpipe						
26	Totals:						
30	Metered Water Revenue						
31	All Customers	2,924	196,211	1,234,480	1,930,568	696,088	56.39%
36							
37	Other Water Revenue			\$ 25,727	\$ 28,787	3,060	11.89%
38							
39	Total	<u>2,924</u>		<u>\$ 1,260,208</u>	<u>\$ 1,959,355</u>	<u>\$ 699,148</u>	<u>55.48%</u>
40							

Supporting Schedules:

Recap Schedules:
H-1

New River Utility Company
Test Year Ended December 31, 2011
Analysis of Revenue by Detailed Class

Exhibit: RLJ-RB-1
Schedule H-2 Rebuttal
Page 2
Witness: Jones

Supplemental Schedule
Breakdown of Metered Water Revenue at Current Rates
By Rate Components

		Revenue at Current Rates					
Line		Base	1st	2nd	3rd	Total	
No.	Description	Charge	Tier	Tier	Tier	Revenue	
1							
2	R1 - 5/8" x 3/4" Meter	\$ 201,578	\$ 269,186	\$ 55,492	\$ 58,584	\$	584,840
3	R2 - 3/4" Meter	270	287	160	1,808		2,524
4	R3 - 1" Meter	122,944	71,176	19,169	52,370		265,658
5	R4 - 1.5" Meter	4,950	1,028	291	7,531		13,801
6	R5 - 2" Meter	81,900	14,486	7,126	209,967		313,479
7	R6 - 3" Meter	8,760	654	304	11,965		21,683
8	R7 - 4" Meter						
9	R8 - 6" Meter	9,000	346	202	4,949		14,496
10	R9 - 8" Meter	18,000	-	-	-		18,000
11	Standpipe						-
12							
22	Total Revenue	\$ 447,401	\$ 357,163	\$ 82,743	\$ 347,173	\$	1,234,480
23							
24	Percentage of Total	36.24%	28.93%	6.70%	28.12%		100.00%
25							

Supplemental Schedule
Breakdown of Metered Water Revenue at Proposed Rates
By Rate Components

		Revenue at Proposed Rates					
Line		Base	1st	2nd	3rd	Total	
No.	Description	Charge	Tier	Tier	Tier	Revenue	
1							
2	R1 - 5/8" x 3/4" Meter	\$ 295,647	\$ 103,501	\$ 242,882	\$ 248,671	\$	890,700
3	R2 - 3/4" Meter	396	84	294	3,637		4,411
4	R3 - 1" Meter	180,318	-	165,918	76,975		423,211
5	R4 - 1.5" Meter	7,260	-	3,746	11,485		22,492
6	R5 - 2" Meter	120,120	-	103,497	285,428		509,045
7	R6 - 3" Meter	12,848	-	7,733	13,125		33,707
8	R7 - 4" Meter						
9	R8 - 6" Meter	13,200	-	7,403	-		20,603
10	R9 - 8" Meter	26,400	-	-	-		26,400
11	Standpipe						-
12							-
22	Total Revenue	\$ 656,189	\$ 103,585	\$ 531,473	\$ 639,322	\$	1,930,568
23							
24	Percentage of Total Revenue	33.99%	5.37%	27.53%	33.12%		100.00%
25							
26	Percentage Increase by Tier	46.67%	-71.00%	542.32%	84.15%		56.39%
27							

Supplemental Schedule
Metered Water Revenue at Proposed Rates
Analysis of Increases by Rate Tier

Line No.		Base Charge	1st Tier	2nd Tier	3rd Tier	Total Revenue
1	Revenue at Current Rates	\$ 447,401	\$ 357,163	\$ 82,743	\$ 347,173	\$ 1,234,480
2	Revenue at Company's Proposed Rates	656,189	103,585	531,473	639,322	1,930,568
3	Increase in Rates	\$ 208,787	\$ (253,578)	\$ 448,730	\$ 292,149	\$ 696,088
4						
5	Percentage Increase by Tier	46.7%	-71.0%	542.3%	84.2%	56.4%
6	Percentage of Increase within Tier	16.9%	-20.5%	36.3%	23.7%	56.4%
7						
8						
9						
10		Base Charge	1st Tier	2nd Tier	3rd Tier	Total Revenue
11						
12	Revenue at Current Rates	\$ 447,401	\$ 357,163	\$ 82,743	\$ 347,173	\$ 1,234,480
13	Revenue at Company's Proposed Rates	\$ 656,189	\$ 103,585	\$ 531,473	\$ 639,322	\$ 1,930,568
14						
15	<u>Percentage of Total Revenue</u>					
16	Current Rates	36.2%	28.9%	6.7% #	28.1%	100.0%
17	Company's Proposed Rates	<u>34.0%</u>	<u>5.4%</u>	<u>27.5% #</u>	<u>33.1%</u>	<u>100.0%</u>
18	Change	-2.3%	-23.6%	20.8%	5.0%	0.0%
19						
20						

New River Utility Company
Test Year Ended December 31, 2011
Changes in Representative Rate Schedules

Exhibit: RLJ-RB-1
Schedule H-3 Rebuttal
Page 1
Witness: Jones

Line No.			Present	Proposed	Base Charge			Volume Charge		
			Rate Tiers	Rate Tiers	Present	Proposed	Change	Present	Proposed	Change
	Description		(gallons)	(gallons)	Rate	Rate		Rate	Rate	
1	General Water Service Rates									
2										
3										
4										
5	R1 - 5/8" x 3/4" Meter	Tier 1	12,000	4,000	\$ 7.50	\$ 11.00	\$ 3.50	\$ 1.20	\$ 1.05	\$ (0.15)
6		Tier 2	18,000	11,000				\$ 1.40	\$ 2.10	\$ 0.70
7		Tier 3	999,999,000	999,999,000				\$ 1.60	\$ 2.88	\$ 1.28
8	R2 - 3/4" Meter	Tier 1	12,000	4,000	\$ 7.50	\$ 11.00	\$ 3.50	\$ 1.20	\$ 1.05	\$ (0.15)
9		Tier 2	18,000	11,000				\$ 1.40	\$ 2.10	\$ 0.70
10		Tier 3	999,999,000	999,999,000				\$ 1.60	\$ 2.88	\$ 1.28
11	R3 - 1" Meter	Tier 1	12,000	-	\$ 18.75	\$ 27.50	\$ 8.75	\$ 1.20		Eliminated
12		Tier 2	18,000	22,500				\$ 1.40	\$ 2.10	\$ 0.70
13		Tier 3	999,999,000	999,999,000				\$ 1.60	\$ 2.88	\$ 1.28
14	R4 - 1.5" Meter	Tier 1	12,000	-	\$ 37.50	\$ 55.00	\$ 17.50	\$ 1.20		Eliminated
15		Tier 2	18,000	45,000				\$ 1.40	\$ 2.10	\$ 0.70
16		Tier 3	999,999,000	999,999,000				\$ 1.60	\$ 2.88	\$ 1.28
17	R5 - 2" Meter	Tier 1	12,000	-	\$ 60.00	\$ 88.00	\$ 28.00	\$ 1.20		Eliminated
18		Tier 2	18,000	72,000				\$ 1.40	\$ 2.10	\$ 0.70
19		Tier 3	999,999,000	999,999,000				\$ 1.60	\$ 2.88	\$ 1.28
20	R6 - 3" Meter	Tier 1	12,000	-	\$ 120.00	\$ 176.00	\$ 56.00	\$ 1.20		Eliminated
21		Tier 2	18,000	144,000				\$ 1.40	\$ 2.10	\$ 0.70
22		Tier 3	999,999,000	999,999,000				\$ 1.60	\$ 2.88	\$ 1.28
23	R7 - 4" Meter	Tier 1	12,000	-	\$ 190.00	\$ 275.00	\$ 85.00	\$ 1.20		Eliminated
24		Tier 2	18,000	225,000				\$ 1.40	\$ 2.10	\$ 0.70
25		Tier 3	999,999,000	999,999,000				\$ 1.60	\$ 2.88	\$ 1.28
26	R8 - 6" Meter	Tier 1	12,000	-	\$ 375.00	\$ 550.00	\$ 175.00	\$ 1.20		Eliminated
27		Tier 2	18,000	450,000				\$ 1.40	\$ 2.10	\$ 0.70
28		Tier 3	999,999,000	999,999,000				\$ 1.60	\$ 2.88	\$ 1.28
29	R9 - 8" Meter	Tier 1	12,000	-	\$ 750.00	\$ 1,100.00	\$ 350.00	\$ 1.20		Eliminated
30		Tier 2	18,000	720,000				\$ 1.40	\$ 2.10	\$ 0.70
31		Tier 3	999,999,000	999,999,000				\$ 1.60	\$ 2.88	\$ 1.28
32	Standpipe	Tier 3	999,999,000	999,999,000	By Meter Size			\$ 1.60	\$ 2.88	\$ 1.28
33										
34	Monthly Service Charge for Fire Sprinkler									
35			Present	Proposed						
36			<u>Rates</u>	<u>Rates</u>						
37	All Meter Sizes		*	**						
38										

- * Greater of \$5.00 or 1 percent of the general service rate for a similar size meter
** Greater of \$10.00 or 2 percent of the general service rate for a similar size meter

Line

No.

<u>Other Service Charges</u>		Present	Proposed
		<u>Rates</u>	<u>Rates</u>
1	Establishment	\$ 25.00	\$ 30.00
2	Establishment (After Hours)	\$ 35.00	n/t
3	Reconnection (Delinquent)	\$ 35.00	\$ 40.00
4	After Hours Charge	n/t	\$ 25.00
5	Meter Test (If correct)	\$ 40.00	\$ 40.00
6	Deposit Requirement (Residential)	2 times the average bill	2 times the average bill
7	Deposit Requirement (Non-Residential Meter)	2-1/2 times the average bill	2-1/2 times the average bill
8	Deposit Interest	6% per year	6% per year
9	Re-Establishment (Within 12 Months)	Number of Months off system times the monthly minimum charge	Number of Months off system times the monthly minimum charge
10	NSF Check	\$ 15.00	\$ 15.00
11	Deferred Payment, Per Month	1.5%	1.5%
12	Meter Re-Read (If correct)	\$ 20.00	\$ 30.00
13	Moving Customer Meter at Customer Request	Cost	Cost
14	Late Charge per month	1.50%	1.50%
15	In addition to the collection of regular rates, the utility will collect from its customers a proportionate share of any privilege, sales, use, and franchise tax, per Commission rule A.A.C. 14-2-409(D)(5).		
16	All items billed at cost shall include labor, materials and parts, overheads and all applicable taxes.		
17	n/t - no tariff		

Service Line and Meter Installation Charges

	Present Rates			Proposed Rates		
	<u>Srv. Line</u>	<u>Meter</u>	<u>Total</u>	<u>Srv. Line</u>	<u>Meter</u>	<u>Total</u>
18	5/8" x 3/4" Meter		\$ 410	\$ 445	\$ 155	\$ 600
19	3/4" Meter		\$ 410	\$ 445	\$ 255	\$ 700
20	1" Meter		\$ 520	\$ 495	\$ 315	\$ 810
21	1 1/2" Meter		\$ 660	\$ 550	\$ 525	\$ 1,075
22	2" Meter		\$ 1,155	\$ 830	\$ 1,045	\$ 1,875
23	2" Compound Meter		\$ 1,720	\$ 830	\$ 1,890	\$ 2,720
24	3" Meter		\$ 1,625	\$ 1,045	\$ 1,670	\$ 2,715
25	3" Compound Meter		\$ 2,260	\$ 1,165	\$ 2,545	\$ 3,710
26	4" Meter		\$ 2,500	\$ 1,490	\$ 2,670	\$ 4,160
27	4" Compound Meter		\$ 3,200	\$ 1,670	\$ 3,645	\$ 5,315
28	6" Meter		\$ 4,500	\$ 2,210	\$ 5,025	\$ 7,235
29	6" Compound Meter		\$ 6,300	\$ 2,330	\$ 6,920	\$ 9,250
30	8" Meter		\$ 8,200	n/t	n/t	n/t
31	8" or Larger Meter		n/t	Cost	Cost	Cost
32	All advances and/or contributions are to include labor, materials and parts, overheads and all applicable taxes, including gross-up taxes for Federal and State taxes, if applicable.					
33	All items billed at cost shall include labor, materials and parts, overheads and all applicable taxes.					
34	n/t - no tariff					

New River Utility Company
Test Year Ended December 31, 2011
Typical Bill Analysis

Exhibit: RLJ-RB-1
Schedule H-4 Rebuttal
Witness: Jones

Meter Size: 5/8" x 3/4"
Rate Code: R1

Line No.	Rate Schedules	Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1	<u>Present Rates:</u>	-	\$ 7.50	\$ 11.00	\$ 3.50	46.67%
2	Base Charge:	1,000	\$ 8.70	\$ 12.05	\$ 3.35	38.51%
3		2,000	\$ 9.90	\$ 13.10	\$ 3.20	32.32%
4		3,000	\$ 11.10	\$ 14.15	\$ 3.05	27.48%
5	Tier One Rate:	4,000	\$ 12.30	\$ 15.20	\$ 2.90	23.58%
6	Tier Two Rate:	5,000	\$ 13.50	\$ 17.30	\$ 3.80	28.15%
7	Tier Three Rate:	6,000	\$ 14.70	\$ 19.40	\$ 4.70	31.97%
8		7,000	\$ 15.90	\$ 21.50	\$ 5.60	35.22%
9	Tier One Breakover (M gal):	12	\$ 17.10	\$ 23.60	\$ 6.50	38.01%
10	Tier Two Breakover (M gal):	18	\$ 18.30	\$ 25.70	\$ 7.40	40.44%
11	Tier Three Breakover (M gal):	999,999	\$ 19.50	\$ 27.80	\$ 8.30	42.56%
12		12,000	\$ 21.90	\$ 32.78	\$ 10.88	49.68%
13		14,000	\$ 24.70	\$ 38.54	\$ 13.84	56.03%
14	<u>Proposed Rates:</u>	16,000	\$ 27.50	\$ 44.30	\$ 16.80	61.09%
15	Base Charge:	18,000	\$ 30.30	\$ 50.06	\$ 19.76	65.21%
16		20,000	\$ 33.50	\$ 55.82	\$ 22.32	66.63%
17		25,000	\$ 41.50	\$ 70.22	\$ 28.72	69.20%
18	Tier One Rate:	30,000	\$ 49.50	\$ 84.62	\$ 35.12	70.95%
19	Tier Two Rate:	35,000	\$ 57.50	\$ 99.02	\$ 41.52	72.21%
20	Tier Three Rate:	40,000	\$ 65.50	\$ 113.42	\$ 47.92	73.16%
21		45,000	\$ 73.50	\$ 127.82	\$ 54.32	73.90%
22	Tier One Breakover (M gal):	4	\$ 81.50	\$ 142.22	\$ 60.72	74.50%
23	Tier Two Breakover (M gal):	11	\$ 97.50	\$ 171.02	\$ 73.52	75.41%
24	Tier Three Breakover (M gal):	999,999	\$ 113.50	\$ 199.82	\$ 86.32	76.05%
25		80,000	\$ 129.50	\$ 228.62	\$ 99.12	76.54%
26		90,000	\$ 145.50	\$ 257.42	\$ 111.92	76.92%
27		100,000	\$ 161.50	\$ 286.22	\$ 124.72	77.23%
28						
29		Average Usage				
30		11,183	\$ 20.92	\$ 30.43	\$ 9.51	45.46%
31		Median Usage				
32		8,762	\$ 18.01	\$ 25.20	\$ 7.19	39.92%
33						
34						

New River Utility Company
Test Year Ended December 31, 2011
Typical Bill Analysis

Exhibit: RLJ-RB-1
Schedule H-4 Rebuttal
Witness: Jones

Meter Size: 3/4"
Rate Code: R2

Line No.	Rate Schedules	Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1	<u>Present Rates:</u>	-	\$ 7.50	\$ 11.00	\$ 3.50	46.67%
2	Base Charge:	1,000	\$ 8.70	\$ 12.05	\$ 3.35	38.51%
3		2,000	\$ 9.90	\$ 13.10	\$ 3.20	32.32%
4		3,000	\$ 11.10	\$ 14.15	\$ 3.05	27.48%
5	Tier One Rate:	4,000	\$ 12.30	\$ 15.20	\$ 2.90	23.58%
6	Tier Two Rate:	5,000	\$ 13.50	\$ 17.30	\$ 3.80	28.15%
7	Tier Three Rate:	6,000	\$ 14.70	\$ 19.40	\$ 4.70	31.97%
8		7,000	\$ 15.90	\$ 21.50	\$ 5.60	35.22%
9	Tier One Breakover (M gal):	12	\$ 17.10	\$ 23.60	\$ 6.50	38.01%
10	Tier Two Breakover (M gal):	18	\$ 18.30	\$ 25.70	\$ 7.40	40.44%
11	Tier Three Breakover (M gal):	999,999	\$ 19.50	\$ 27.80	\$ 8.30	42.56%
12		12,000	\$ 21.90	\$ 32.78	\$ 10.88	49.68%
13		14,000	\$ 24.70	\$ 38.54	\$ 13.84	56.03%
14	<u>Proposed Rates:</u>	16,000	\$ 27.50	\$ 44.30	\$ 16.80	61.09%
15	Base Charge:	18,000	\$ 30.30	\$ 50.06	\$ 19.76	65.21%
16		20,000	\$ 33.50	\$ 55.82	\$ 22.32	66.63%
17		25,000	\$ 41.50	\$ 70.22	\$ 28.72	69.20%
18	Tier One Rate:	30,000	\$ 49.50	\$ 84.62	\$ 35.12	70.95%
19	Tier Two Rate:	35,000	\$ 57.50	\$ 99.02	\$ 41.52	72.21%
20	Tier Three Rate:	40,000	\$ 65.50	\$ 113.42	\$ 47.92	73.16%
21		45,000	\$ 73.50	\$ 127.82	\$ 54.32	73.90%
22	Tier One Breakover (M gal):	4	\$ 81.50	\$ 142.22	\$ 60.72	74.50%
23	Tier Two Breakover (M gal):	11	\$ 97.50	\$ 171.02	\$ 73.52	75.41%
24	Tier Three Breakover (M gal):	999,999	\$ 113.50	\$ 199.82	\$ 86.32	76.05%
25		80,000	\$ 129.50	\$ 228.62	\$ 99.12	76.54%
26		90,000	\$ 145.50	\$ 257.42	\$ 111.92	76.92%
27		100,000	\$ 161.50	\$ 286.22	\$ 124.72	77.23%
28						
29		Average Usage				
30		41,194	\$ 67.41	\$ 116.86	\$ 49.45	73.36%
31		Median Usage				
32		18,000	\$ 30.30	\$ 50.06	\$ 19.76	65.21%
33						
34						

New River Utility Company
Test Year Ended December 31, 2011
Typical Bill Analysis

Exhibit: RLJ-RB-1
Schedule H-4 Rebuttal
Witness: Jones

Meter Size: 1"
Rate Code: R3

Line No.	Rate Schedules	Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1	<u>Present Rates:</u>	-	\$ 18.75	\$ 27.50	\$ 8.75	46.67%
2	Base Charge:	1,000	\$ 19.95	\$ 29.60	\$ 9.65	48.37%
3		2,000	\$ 21.15	\$ 31.70	\$ 10.55	49.88%
4		3,000	\$ 22.35	\$ 33.80	\$ 11.45	51.23%
5	Tier One Rate:	4,000	\$ 23.55	\$ 35.90	\$ 12.35	52.44%
6	Tier Two Rate:	5,000	\$ 24.75	\$ 38.00	\$ 13.25	53.54%
7	Tier Three Rate:	6,000	\$ 25.95	\$ 40.10	\$ 14.15	54.53%
8		7,000	\$ 27.15	\$ 42.20	\$ 15.05	55.43%
9	Tier One Breakover (M gal):	12	\$ 28.35	\$ 44.30	\$ 15.95	56.26%
10	Tier Two Breakover (M gal):	18	\$ 29.55	\$ 46.40	\$ 16.85	57.02%
11	Tier Three Breakover (M gal):	999,999	\$ 30.75	\$ 48.50	\$ 17.75	57.72%
12		12,000	\$ 33.15	\$ 52.70	\$ 19.55	58.97%
13		14,000	\$ 35.95	\$ 56.90	\$ 20.95	58.28%
14	<u>Proposed Rates:</u>	16,000	\$ 38.75	\$ 61.10	\$ 22.35	57.68%
15	Base Charge:	18,000	\$ 41.55	\$ 65.30	\$ 23.75	57.16%
16		20,000	\$ 44.75	\$ 69.50	\$ 24.75	55.31%
17		25,000	\$ 52.75	\$ 81.95	\$ 29.20	55.36%
18	Tier One Rate:	30,000	\$ 60.75	\$ 96.35	\$ 35.60	58.60%
19	Tier Two Rate:	35,000	\$ 68.75	\$ 110.75	\$ 42.00	61.09%
20	Tier Three Rate:	40,000	\$ 76.75	\$ 125.15	\$ 48.40	63.06%
21		45,000	\$ 84.75	\$ 139.55	\$ 54.80	64.66%
22	Tier One Breakover (M gal):	-	\$ 92.75	\$ 153.95	\$ 61.20	65.98%
23	Tier Two Breakover (M gal):	23	\$ 108.75	\$ 182.75	\$ 74.00	68.05%
24	Tier Three Breakover (M gal):	999,999	\$ 124.75	\$ 211.55	\$ 86.80	69.58%
25		80,000	\$ 140.75	\$ 240.35	\$ 99.60	70.76%
26		90,000	\$ 156.75	\$ 269.15	\$ 112.40	71.71%
27		100,000	\$ 172.75	\$ 297.95	\$ 125.20	72.47%
28						
29		Average Usage				
30		16,126	\$ 38.93	\$ 61.36	\$ 22.43	57.62%
31		Median Usage				
32		10,505	\$ 31.36	\$ 49.56	\$ 18.20	58.04%
33						
34						

New River Utility Company
Test Year Ended December 31, 2011
Typical Bill Analysis

Exhibit: RLJ-RB-1
Schedule H-4 Rebuttal
Witness: Jones

Meter Size: 1-1/2"
Rate Code: R4

Line No.	Rate Schedules	Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1	<u>Present Rates:</u>	-	\$ 37.50	\$ 55.00	\$ 17.50	46.67%
2	Base Charge:	1,000	\$ 38.70	\$ 57.10	\$ 18.40	47.55%
3		2,000	\$ 39.90	\$ 59.20	\$ 19.30	48.37%
4		3,000	\$ 41.10	\$ 61.30	\$ 20.20	49.15%
5	Tier One Rate:	4,000	\$ 42.30	\$ 63.40	\$ 21.10	49.88%
6	Tier Two Rate:	5,000	\$ 43.50	\$ 65.50	\$ 22.00	50.57%
7	Tier Three Rate:	6,000	\$ 44.70	\$ 67.60	\$ 22.90	51.23%
8		7,000	\$ 45.90	\$ 69.70	\$ 23.80	51.85%
9	Tier One Breakover (M gal):	12	\$ 47.10	\$ 71.80	\$ 24.70	52.44%
10	Tier Two Breakover (M gal):	18	\$ 48.30	\$ 73.90	\$ 25.60	53.00%
11	Tier Three Breakover (M gal):	999,999	\$ 49.50	\$ 76.00	\$ 26.50	53.54%
12		12,000	\$ 51.90	\$ 80.20	\$ 28.30	54.53%
13		14,000	\$ 54.70	\$ 84.40	\$ 29.70	54.30%
14	<u>Proposed Rates:</u>	16,000	\$ 57.50	\$ 88.60	\$ 31.10	54.09%
15	Base Charge:	18,000	\$ 60.30	\$ 92.80	\$ 32.50	53.90%
16		20,000	\$ 63.50	\$ 97.00	\$ 33.50	52.76%
17		25,000	\$ 71.50	\$ 107.50	\$ 36.00	50.35%
18	Tier One Rate:	30,000	\$ 79.50	\$ 118.00	\$ 38.50	48.43%
19	Tier Two Rate:	35,000	\$ 87.50	\$ 128.50	\$ 41.00	46.86%
20	Tier Three Rate:	40,000	\$ 95.50	\$ 139.00	\$ 43.50	45.55%
21		45,000	\$ 103.50	\$ 149.50	\$ 46.00	44.44%
22	Tier One Breakover (M gal):	-	\$ 111.50	\$ 163.90	\$ 52.40	47.00%
23	Tier Two Breakover (M gal):	45	\$ 127.50	\$ 192.70	\$ 65.20	51.14%
24	Tier Three Breakover (M gal):	999,999	\$ 143.50	\$ 221.50	\$ 78.00	54.36%
25		80,000	\$ 159.50	\$ 250.30	\$ 90.80	56.93%
26		90,000	\$ 175.50	\$ 279.10	\$ 103.60	59.03%
27		100,000	\$ 191.50	\$ 307.90	\$ 116.40	60.78%
28						
29		Average Usage				
30		43,727	\$ 101.46	\$ 146.83	\$ 45.37	44.72%
31		Median Usage				
32		4,833	\$ 43.30	\$ 65.15	\$ 21.85	50.46%
33						
34						

New River Utility Company
Test Year Ended December 31, 2011
Typical Bill Analysis

Exhibit: RLJ-RB-1
Schedule H-4 Rebuttal
Witness: Jones

Meter Size: 2"
Rate Code: R5

Line No.	Rate Schedules	Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1	<u>Present Rates:</u>	-	\$ 60.00	\$ 88.00	\$ 28.00	46.67%
2	Base Charge:	1,000	\$ 61.20	\$ 90.10	\$ 28.90	47.22%
3		2,000	\$ 62.40	\$ 92.20	\$ 29.80	47.76%
4		3,000	\$ 63.60	\$ 94.30	\$ 30.70	48.27%
5	Tier One Rate:	4,000	\$ 64.80	\$ 96.40	\$ 31.60	48.77%
6	Tier Two Rate:	5,000	\$ 66.00	\$ 98.50	\$ 32.50	49.24%
7	Tier Three Rate:	6,000	\$ 67.20	\$ 100.60	\$ 33.40	49.70%
8		7,000	\$ 68.40	\$ 102.70	\$ 34.30	50.15%
9	Tier One Breakover (M gal):	12	\$ 69.60	\$ 104.80	\$ 35.20	50.57%
10	Tier Two Breakover (M gal):	18	\$ 70.80	\$ 106.90	\$ 36.10	50.99%
11	Tier Three Breakover (M gal):	999,999	\$ 72.00	\$ 109.00	\$ 37.00	51.39%
12		12,000	\$ 74.40	\$ 113.20	\$ 38.80	52.15%
13		14,000	\$ 77.20	\$ 117.40	\$ 40.20	52.07%
14	<u>Proposed Rates:</u>	16,000	\$ 80.00	\$ 121.60	\$ 41.60	52.00%
15	Base Charge:	18,000	\$ 82.80	\$ 125.80	\$ 43.00	51.93%
16		20,000	\$ 86.00	\$ 130.00	\$ 44.00	51.16%
17		25,000	\$ 94.00	\$ 140.50	\$ 46.50	49.47%
18	Tier One Rate:	30,000	\$ 102.00	\$ 151.00	\$ 49.00	48.04%
19	Tier Two Rate:	35,000	\$ 110.00	\$ 161.50	\$ 51.50	46.82%
20	Tier Three Rate:	40,000	\$ 118.00	\$ 172.00	\$ 54.00	45.76%
21		45,000	\$ 126.00	\$ 182.50	\$ 56.50	44.84%
22	Tier One Breakover (M gal):	-	\$ 134.00	\$ 193.00	\$ 59.00	44.03%
23	Tier Two Breakover (M gal):	72	\$ 150.00	\$ 214.00	\$ 64.00	42.67%
24	Tier Three Breakover (M gal):	999,999	\$ 166.00	\$ 235.00	\$ 69.00	41.57%
25		80,000	\$ 182.00	\$ 262.24	\$ 80.24	44.09%
26		90,000	\$ 198.00	\$ 291.04	\$ 93.04	46.99%
27		100,000	\$ 214.00	\$ 319.84	\$ 105.84	49.46%
28						
29		Average Usage				
30		108,750	\$ 228.00	\$ 345.04	\$ 117.04	51.33%
31		Median Usage				
32		28,556	\$ 99.69	\$ 147.97	\$ 48.28	48.43%
33						
34						

New River Utility Company
Test Year Ended December 31, 2011
Typical Bill Analysis

Exhibit: RLJ-RB-1
Schedule H-4 Rebuttal
Witness: Jones

Meter Size: 2" (Hand Billed)
Rate Code: R5

Line No.	Rate Schedules	Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1	<u>Present Rates:</u>	-	\$ 60.00	\$ 88.00	\$ 28.00	46.67%
2	Base Charge:	1,000	\$ 61.20	\$ 90.10	\$ 28.90	47.22%
3		2,000	\$ 62.40	\$ 92.20	\$ 29.80	47.76%
4		3,000	\$ 63.60	\$ 94.30	\$ 30.70	48.27%
5	Tier One Rate:	4,000	\$ 64.80	\$ 96.40	\$ 31.60	48.77%
6	Tier Two Rate:	5,000	\$ 66.00	\$ 98.50	\$ 32.50	49.24%
7	Tier Three Rate:	6,000	\$ 67.20	\$ 100.60	\$ 33.40	49.70%
8		7,000	\$ 68.40	\$ 102.70	\$ 34.30	50.15%
9	Tier One Breakover (M gal):	8,000	\$ 69.60	\$ 104.80	\$ 35.20	50.57%
10	Tier Two Breakover (M gal):	9,000	\$ 70.80	\$ 106.90	\$ 36.10	50.99%
11	Tier Three Breakover (M gal):	10,000	\$ 72.00	\$ 109.00	\$ 37.00	51.39%
12		12,000	\$ 74.40	\$ 113.20	\$ 38.80	52.15%
13		14,000	\$ 77.20	\$ 117.40	\$ 40.20	52.07%
14	<u>Proposed Rates:</u>	16,000	\$ 80.00	\$ 121.60	\$ 41.60	52.00%
15	Base Charge:	18,000	\$ 82.80	\$ 125.80	\$ 43.00	51.93%
16		20,000	\$ 86.00	\$ 130.00	\$ 44.00	51.16%
17		25,000	\$ 94.00	\$ 140.50	\$ 46.50	49.47%
18	Tier One Rate:	30,000	\$ 102.00	\$ 151.00	\$ 49.00	48.04%
19	Tier Two Rate:	35,000	\$ 110.00	\$ 161.50	\$ 51.50	46.82%
20	Tier Three Rate:	40,000	\$ 118.00	\$ 172.00	\$ 54.00	45.76%
21		45,000	\$ 126.00	\$ 182.50	\$ 56.50	44.84%
22	Tier One Breakover (M gal):	50,000	\$ 134.00	\$ 193.00	\$ 59.00	44.03%
23	Tier Two Breakover (M gal):	60,000	\$ 150.00	\$ 214.00	\$ 64.00	42.67%
24	Tier Three Breakover (M gal):	70,000	\$ 166.00	\$ 235.00	\$ 69.00	41.57%
25		80,000	\$ 182.00	\$ 262.24	\$ 80.24	44.09%
26		90,000	\$ 198.00	\$ 291.04	\$ 93.04	46.99%
27		100,000	\$ 214.00	\$ 319.84	\$ 105.84	49.46%
28						
29		Average Usage				
30		102,900	\$ 218.64	\$ 328.19	\$ 109.55	50.11%
31		Median Usage				
32		62,000	\$ 153.20	\$ 218.20	\$ 65.00	42.43%
33						
34						

New River Utility Company
Test Year Ended December 31, 2011
Typical Bill Analysis

Exhibit: RLJ-RB-1
Schedule H-4 Rebuttal
Witness: Jones

Meter Size: 3"
Rate Code: R6

Line No.	Rate Schedules	Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1	<u>Present Rates:</u>	-	\$ 120.00	\$ 176.00	\$ 56.00	46.67%
2	Base Charge:	1,000	\$ 121.20	\$ 178.10	\$ 56.90	46.95%
3		2,000	\$ 122.40	\$ 180.20	\$ 57.80	47.22%
4		3,000	\$ 123.60	\$ 182.30	\$ 58.70	47.49%
5	Tier One Rate:	4,000	\$ 124.80	\$ 184.40	\$ 59.60	47.76%
6	Tier Two Rate:	5,000	\$ 126.00	\$ 186.50	\$ 60.50	48.02%
7	Tier Three Rate:	6,000	\$ 127.20	\$ 188.60	\$ 61.40	48.27%
8		7,000	\$ 128.40	\$ 190.70	\$ 62.30	48.52%
9	Tier One Breakover (M gal):	8,000	\$ 129.60	\$ 192.80	\$ 63.20	48.77%
10	Tier Two Breakover (M gal):	9,000	\$ 130.80	\$ 194.90	\$ 64.10	49.01%
11	Tier Three Breakover (M gal):	10,000	\$ 132.00	\$ 197.00	\$ 65.00	49.24%
12		12,000	\$ 134.40	\$ 201.20	\$ 66.80	49.70%
13		14,000	\$ 137.20	\$ 205.40	\$ 68.20	49.71%
14	<u>Proposed Rates:</u>	16,000	\$ 140.00	\$ 209.60	\$ 69.60	49.71%
15	Base Charge:	18,000	\$ 142.80	\$ 213.80	\$ 71.00	49.72%
16		20,000	\$ 146.00	\$ 218.00	\$ 72.00	49.32%
17		25,000	\$ 154.00	\$ 228.50	\$ 74.50	48.38%
18	Tier One Rate:	30,000	\$ 162.00	\$ 239.00	\$ 77.00	47.53%
19	Tier Two Rate:	35,000	\$ 170.00	\$ 249.50	\$ 79.50	46.76%
20	Tier Three Rate:	40,000	\$ 178.00	\$ 260.00	\$ 82.00	46.07%
21		45,000	\$ 186.00	\$ 270.50	\$ 84.50	45.43%
22	Tier One Breakover (M gal):	50,000	\$ 194.00	\$ 281.00	\$ 87.00	44.85%
23	Tier Two Breakover (M gal):	60,000	\$ 210.00	\$ 302.00	\$ 92.00	43.81%
24	Tier Three Breakover (M gal):	70,000	\$ 226.00	\$ 323.00	\$ 97.00	42.92%
25		80,000	\$ 242.00	\$ 344.00	\$ 102.00	42.15%
26		90,000	\$ 258.00	\$ 365.00	\$ 107.00	41.47%
27		100,000	\$ 274.00	\$ 386.00	\$ 112.00	40.88%

New River Utility Company
Test Year Ended December 31, 2011
Typical Bill Analysis

Exhibit: RLJ-RB-1
Schedule H-4 Rebuttal
Witness: Jones

Meter Size: 3" (Hand Billed)
Rate Code: R6

Line No.	Rate Schedules	Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1	<u>Present Rates:</u>	-	\$ 120.00	\$ 176.00	\$ 56.00	46.67%
2	Base Charge:	1,000	\$ 121.20	\$ 178.10	\$ 56.90	46.95%
3		2,000	\$ 122.40	\$ 180.20	\$ 57.80	47.22%
4		3,000	\$ 123.60	\$ 182.30	\$ 58.70	47.49%
5	Tier One Rate:	4,000	\$ 124.80	\$ 184.40	\$ 59.60	47.76%
6	Tier Two Rate:	5,000	\$ 126.00	\$ 186.50	\$ 60.50	48.02%
7	Tier Three Rate:	6,000	\$ 127.20	\$ 188.60	\$ 61.40	48.27%
8		7,000	\$ 128.40	\$ 190.70	\$ 62.30	48.52%
9	Tier One Breakover (M gal):	8,000	\$ 129.60	\$ 192.80	\$ 63.20	48.77%
10	Tier Two Breakover (M gal):	9,000	\$ 130.80	\$ 194.90	\$ 64.10	49.01%
11	Tier Three Breakover (M gal):	10,000	\$ 132.00	\$ 197.00	\$ 65.00	49.24%
12		12,000	\$ 134.40	\$ 201.20	\$ 66.80	49.70%
13		14,000	\$ 137.20	\$ 205.40	\$ 68.20	49.71%
14	<u>Proposed Rates:</u>	16,000	\$ 140.00	\$ 209.60	\$ 69.60	49.71%
15	Base Charge:	18,000	\$ 142.80	\$ 213.80	\$ 71.00	49.72%
16		20,000	\$ 146.00	\$ 218.00	\$ 72.00	49.32%
17		25,000	\$ 154.00	\$ 228.50	\$ 74.50	48.38%
18	Tier One Rate:	30,000	\$ 162.00	\$ 239.00	\$ 77.00	47.53%
19	Tier Two Rate:	35,000	\$ 170.00	\$ 249.50	\$ 79.50	46.76%
20	Tier Three Rate:	40,000	\$ 178.00	\$ 260.00	\$ 82.00	46.07%
21		45,000	\$ 186.00	\$ 270.50	\$ 84.50	45.43%
22	Tier One Breakover (M gal):	50,000	\$ 194.00	\$ 281.00	\$ 87.00	44.85%
23	Tier Two Breakover (M gal):	60,000	\$ 210.00	\$ 302.00	\$ 92.00	43.81%
24	Tier Three Breakover (M gal):	70,000	\$ 226.00	\$ 323.00	\$ 97.00	42.92%
25		80,000	\$ 242.00	\$ 344.00	\$ 102.00	42.15%
26		90,000	\$ 258.00	\$ 365.00	\$ 107.00	41.47%
27		100,000	\$ 274.00	\$ 386.00	\$ 112.00	40.88%
28						
29		Average Usage				
30		329,167	\$ 640.67	\$ 1,011.68	\$ 371.01	57.91%
31		Median Usage				
32		206,000	\$ 443.60	\$ 656.96	\$ 213.36	48.10%
33						
34						

New River Utility Company
Test Year Ended December 31, 2011
Typical Bill Analysis

Exhibit: RLJ-RB-1
Schedule H-4 Rebuttal
Witness: Jones

Meter Size: 6"
Rate Code: R8

Line No.	Rate Schedules	Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1	<u>Present Rates:</u>	-	\$ 375.00	\$ 550.00	\$ 175.00	46.67%
2	Base Charge:	1,000	\$ 375.00	\$ 550.00	\$ 175.00	46.67%
3		2,000	\$ 377.40	\$ 554.20	\$ 176.80	46.85%
4		3,000	\$ 378.60	\$ 556.30	\$ 177.70	46.94%
5	Tier One Rate:	4,000	\$ 379.80	\$ 558.40	\$ 178.60	47.02%
6	Tier Two Rate:	5,000	\$ 381.00	\$ 560.50	\$ 179.50	47.11%
7	Tier Three Rate:	6,000	\$ 382.20	\$ 562.60	\$ 180.40	47.20%
8		7,000	\$ 383.40	\$ 564.70	\$ 181.30	47.29%
9	Tier One Breakover (M gal):	12	\$ 384.60	\$ 566.80	\$ 182.20	47.37%
10	Tier Two Breakover (M gal):	18	\$ 385.80	\$ 568.90	\$ 183.10	47.46%
11	Tier Three Breakover (M gal):	999,999	\$ 387.00	\$ 571.00	\$ 184.00	47.55%
12		12,000	\$ 389.40	\$ 575.20	\$ 185.80	47.71%
13		14,000	\$ 392.20	\$ 579.40	\$ 187.20	47.73%
14	<u>Proposed Rates:</u>	16,000	\$ 395.00	\$ 583.60	\$ 188.60	47.75%
15	Base Charge:	18,000	\$ 397.80	\$ 587.80	\$ 190.00	47.76%
16		20,000	\$ 401.00	\$ 592.00	\$ 191.00	47.63%
17		25,000	\$ 409.00	\$ 602.50	\$ 193.50	47.31%
18	Tier One Rate:	30,000	\$ 417.00	\$ 613.00	\$ 196.00	47.00%
19	Tier Two Rate:	35,000	\$ 425.00	\$ 623.50	\$ 198.50	46.71%
20	Tier Three Rate:	40,000	\$ 433.00	\$ 634.00	\$ 201.00	46.42%
21		45,000	\$ 441.00	\$ 644.50	\$ 203.50	46.15%
22	Tier One Breakover (M gal):	-	\$ 449.00	\$ 655.00	\$ 206.00	45.88%
23	Tier Two Breakover (M gal):	450	\$ 465.00	\$ 676.00	\$ 211.00	45.38%
24	Tier Three Breakover (M gal):	999,999	\$ 481.00	\$ 697.00	\$ 216.00	44.91%
25		80,000	\$ 497.00	\$ 718.00	\$ 221.00	44.47%
26		90,000	\$ 513.00	\$ 739.00	\$ 226.00	44.05%
27		100,000	\$ 529.00	\$ 760.00	\$ 231.00	43.67%
28						
29		Average Usage				
30		146,875	\$ 604.00	\$ 858.44	\$ 254.44	42.13%
31		Median Usage				
32		140,000	\$ 593.00	\$ 844.00	\$ 251.00	42.33%
33						
34						

New River Utility Company
Test Year Ended December 31, 2011
Typical Bill Analysis

Exhibit: RLJ-RB-1
Schedule H-4 Rebuttal
Witness: Jones

Meter Size: 8" (Hand Billed)
Rate Code: R9

Line No.	Rate Schedules	Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1	<u>Present Rates:</u>	-	\$ 750.00	\$ 1,100.00	\$ 350.00	46.67%
2	Base Charge:	\$ 750.00	1,000 \$ 751.20	\$ 1,102.10	\$ 350.90	46.71%
3			2,000 \$ 752.40	\$ 1,104.20	\$ 351.80	46.76%
4			3,000 \$ 753.60	\$ 1,106.30	\$ 352.70	46.80%
5	Tier One Rate:	\$ 1.20	4,000 \$ 754.80	\$ 1,108.40	\$ 353.60	46.85%
6	Tier Two Rate:	\$ 1.40	5,000 \$ 756.00	\$ 1,110.50	\$ 354.50	46.89%
7	Tier Three Rate:	\$ 1.60	6,000 \$ 757.20	\$ 1,112.60	\$ 355.40	46.94%
8			7,000 \$ 758.40	\$ 1,114.70	\$ 356.30	46.98%
9	Tier One Breakover (M gal):	12	8,000 \$ 759.60	\$ 1,116.80	\$ 357.20	47.02%
10	Tier Two Breakover (M gal):	18	9,000 \$ 760.80	\$ 1,118.90	\$ 358.10	47.07%
11	Tier Three Breakover (M gal):	999,999	10,000 \$ 762.00	\$ 1,121.00	\$ 359.00	47.11%
12			12,000 \$ 764.40	\$ 1,125.20	\$ 360.80	47.20%
13			14,000 \$ 767.20	\$ 1,129.40	\$ 362.20	47.21%
14	<u>Proposed Rates:</u>		16,000 \$ 770.00	\$ 1,133.60	\$ 363.60	47.22%
15	Base Charge:	\$ 1,100.00	18,000 \$ 772.80	\$ 1,137.80	\$ 365.00	47.23%
16			20,000 \$ 776.00	\$ 1,142.00	\$ 366.00	47.16%
17			25,000 \$ 784.00	\$ 1,152.50	\$ 368.50	47.00%
18	Tier One Rate:	\$ -	30,000 \$ 792.00	\$ 1,163.00	\$ 371.00	46.84%
19	Tier Two Rate:	\$ 2.10	35,000 \$ 800.00	\$ 1,173.50	\$ 373.50	46.69%
20	Tier Three Rate:	\$ 2.88	40,000 \$ 808.00	\$ 1,184.00	\$ 376.00	46.53%
21			45,000 \$ 816.00	\$ 1,194.50	\$ 378.50	46.38%
22	Tier One Breakover (M gal):	-	50,000 \$ 824.00	\$ 1,205.00	\$ 381.00	46.24%
23	Tier Two Breakover (M gal):	720	60,000 \$ 840.00	\$ 1,226.00	\$ 386.00	45.95%
24	Tier Three Breakover (M gal):	999,999	70,000 \$ 856.00	\$ 1,247.00	\$ 391.00	45.68%
25			80,000 \$ 872.00	\$ 1,268.00	\$ 396.00	45.41%
26			90,000 \$ 888.00	\$ 1,289.00	\$ 401.00	45.16%
27			100,000 \$ 904.00	\$ 1,310.00	\$ 406.00	44.91%
28						
29		Average Usage				
30		-	\$ 750.00	\$ 1,100.00	\$ 350.00	46.67%
31		Median Usage				
32		-	\$ 750.00	\$ 1,100.00	\$ 350.00	46.67%
33						
34						

New River Utility Company
Test Year Ended December 31, 2011
Bill Count

Exhibit: RLI-RB-1
Schedule H-5 Rebuttal
Witness: Jones

Meter Size: 5/8" x 3/4"
Rate Code: R1

	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
Rate Tiers			Base Charge:	\$ 7.50	\$ 11.00
Tier One Breakover (M gal):	12	4	Tier One Rate:	\$ 1.20	\$ 1.05
Tier Two Breakover (M gal):	18	11	Tier Two Rate:	\$ 1.40	\$ 2.10
Tier Three Breakover (M gal):	999,999	999,999	Tier Three Rate:	\$ 1.60	\$ 2.88

Line No.	Block	Number of Bills in Block	Average Consumption in Block	Consumption in Block	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
1	- - -	1,246	-	-	1,246	4.64%	-	0.00%
2	1 -	1,000	1,000	428,000	1,674	6.23%	428,000	0.14%
3	1,001 -	2,000	2,000	1,502,000	2,425	9.02%	1,930,000	0.64%
4	2,001 -	3,000	3,000	3,498,000	3,591	13.36%	5,428,000	1.81%
5	3,001 -	4,000	4,000	5,936,000	5,075	18.88%	11,364,000	3.78%
6	4,001 -	5,000	5,000	8,715,000	6,818	25.37%	20,079,000	6.68%
7	5,001 -	6,000	6,000	11,154,000	8,677	32.28%	31,233,000	10.39%
8	6,001 -	7,000	7,000	12,558,000	10,471	38.96%	43,791,000	14.57%
9	7,001 -	8,000	8,000	13,664,000	12,179	45.31%	57,455,000	19.12%
10	8,001 -	9,000	9,000	14,868,000	13,831	51.46%	72,323,000	24.06%
11	9,001 -	10,000	10,000	15,990,000	15,430	57.41%	88,313,000	29.38%
12	10,001 -	11,000	11,000	14,905,000	16,785	62.45%	103,218,000	34.34%
13	11,001 -	12,000	12,000	14,184,000	17,967	66.85%	117,402,000	39.06%
14	12,001 -	13,000	13,000	13,845,000	19,032	70.81%	131,247,000	43.67%
15	13,001 -	14,000	14,000	13,552,000	20,000	74.41%	144,799,000	48.17%
16	14,001 -	15,000	15,000	12,480,000	20,832	77.51%	157,279,000	52.33%
17	15,001 -	16,000	16,000	11,840,000	21,572	80.26%	169,119,000	56.27%
18	16,001 -	17,000	17,000	11,050,000	22,222	82.68%	180,169,000	59.94%
19	17,001 -	18,000	18,000	10,332,000	22,796	84.82%	190,501,000	63.38%
20	18,001 -	19,000	19,000	9,728,000	23,308	86.72%	200,229,000	66.62%
21	19,001 -	20,000	20,000	9,340,000	23,775	88.46%	209,569,000	69.72%
22	20,001 -	21,000	21,000	8,064,000	24,159	89.89%	217,633,000	72.41%
23	21,001 -	22,000	22,000	7,128,000	24,483	91.09%	224,761,000	74.78%
24	22,001 -	23,000	23,000	6,486,000	24,765	92.14%	231,247,000	76.94%
25	23,001 -	24,000	24,000	6,216,000	25,024	93.11%	237,463,000	79.00%
26	24,001 -	25,000	25,000	5,625,000	25,249	93.94%	243,088,000	80.87%
27	25,001 -	26,000	26,000	5,304,000	25,453	94.70%	248,392,000	82.64%
28	26,001 -	27,000	27,000	4,347,000	25,614	95.30%	252,739,000	84.09%
29	27,001 -	28,000	28,000	4,424,000	25,772	95.89%	257,163,000	85.56%
30	28,001 -	29,000	29,000	4,031,000	25,911	96.41%	261,194,000	86.90%
31	29,001 -	30,000	30,000	3,000,000	26,011	96.78%	264,194,000	87.90%
32	30,001 -	31,000	31,000	2,914,000	26,105	97.13%	267,108,000	88.87%
33	31,001 -	32,000	32,000	2,304,000	26,177	97.40%	269,412,000	89.63%
34	32,001 -	33,000	33,000	3,003,000	26,268	97.73%	272,415,000	90.63%
35	33,001 -	34,000	34,000	2,006,000	26,327	97.95%	274,421,000	91.30%
36	34,001 -	35,000	35,000	1,680,000	26,375	98.13%	276,101,000	91.86%
37	35,001 -	36,000	36,000	1,764,000	26,424	98.31%	277,865,000	92.44%
38	36,001 -	37,000	37,000	1,554,000	26,466	98.47%	279,419,000	92.96%
39	37,001 -	38,000	-	-	26,466	98.47%	279,419,000	92.96%
40	38,001 -	39,000	80	38,425	26,546	98.77%	282,493,000	93.98%
41	39,001 -	40,000	27	40,000	26,573	98.87%	283,573,000	94.34%
42	40,001 -	41,000	37	41,000	26,610	99.01%	285,090,000	94.85%
43	41,001 -	42,000	27	42,000	26,637	99.11%	286,224,000	95.23%
44	42,001 -	43,000	-	-	26,637	99.11%	286,224,000	95.23%
45	43,001 -	44,000	-	-	26,637	99.11%	286,224,000	95.23%
46	44,001 -	45,000	48	43,688	26,685	99.29%	288,321,000	95.92%
47	45,001 -	46,000	12	46,000	26,697	99.33%	288,873,000	96.11%
48	46,001 -	47,000	11	47,000	26,708	99.37%	289,390,000	96.28%
49	47,001 -	48,000	9	48,000	26,717	99.40%	289,822,000	96.42%
50	48,001 -	49,000	10	49,000	26,727	99.44%	290,312,000	96.59%
51	49,001 -	50,000	11	50,000	26,738	99.48%	290,862,000	96.77%
52	50,001 -	51,000	8	51,000	26,746	99.51%	291,270,000	96.90%
53	51,001 -	52,000	4	52,000	26,750	99.53%	291,478,000	96.97%
54	52,001 -	53,000	9	53,000	26,759	99.56%	291,955,000	97.13%

Meter Size: 5/8" x 3/4"
Rate Code: R1

	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
Base Charge:			\$	7.50	\$ 11.00
Tier One Breakover (M gal):	12	4	Tier One Rate:	\$ 1.20	\$ 1.05
Tier Two Breakover (M gal):	18	11	Tier Two Rate:	\$ 1.40	\$ 2.10
Tier Three Breakover (M gal):	999,999	999,999	Tier Three Rate:	\$ 1.60	\$ 2.88

Line No.	Block	Number of Bills in Block	Average Consumption in Block	Consumption in Block	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
55	53,001 - 54,000	10	54,000	540,000	26,769	99.60%	292,495,000	97.31%
56	54,001 - 55,000	9	55,000	495,000	26,778	99.63%	292,990,000	97.48%
57	55,001 - 56,000	5	56,000	280,000	26,783	99.65%	293,270,000	97.57%
58	56,001 - 57,000	10	57,000	570,000	26,793	99.69%	293,840,000	97.76%
59	57,001 - 58,000	8	58,000	464,000	26,801	99.72%	294,304,000	97.91%
60	58,001 - 59,000	5	59,000	295,000	26,806	99.74%	294,599,000	98.01%
61	59,001 - 60,000	5	60,000	300,000	26,811	99.75%	294,899,000	98.11%
62	60,001 - 61,000	6	61,000	366,000	26,817	99.78%	295,265,000	98.23%
63	61,001 - 62,000	1	62,000	62,000	26,818	99.78%	295,327,000	98.25%
64	62,001 - 63,000	4	63,000	252,000	26,822	99.80%	295,579,000	98.34%
65	63,001 - 64,000	2	64,000	128,000	26,824	99.80%	295,707,000	98.38%
66	64,001 - 65,000	4	65,000	260,000	26,828	99.82%	295,967,000	98.47%
67	65,001 - 66,000	2	66,000	132,000	26,830	99.83%	296,099,000	98.51%
68	66,001 - 67,000	1	67,000	67,000	26,831	99.83%	296,166,000	98.53%
69	67,001 - 68,000	5	68,000	340,000	26,836	99.85%	296,506,000	98.65%
70	68,001 - 69,000	3	69,000	207,000	26,839	99.86%	296,713,000	98.72%
71	69,001 - 70,000	1	70,000	70,000	26,840	99.86%	296,783,000	98.74%
72	70,001 - 71,000	2	71,000	142,000	26,842	99.87%	296,925,000	98.79%
73	71,001 - 72,000	3	72,000	216,000	26,845	99.88%	297,141,000	98.86%
74	72,001 - 73,000	3	73,000	219,000	26,848	99.89%	297,360,000	98.93%
75	73,001 - 74,000	2	74,000	148,000	26,850	99.90%	297,508,000	98.98%
76	74,001 - 75,000	5	75,000	375,000	26,855	99.92%	297,883,000	99.10%
77	75,001 - 76,000	-	-	-	26,855	99.92%	297,883,000	99.10%
78	76,001 - 77,000	1	77,000	77,000	26,856	99.92%	297,960,000	99.13%
79	77,001 - 78,000	-	-	-	26,856	99.92%	297,960,000	99.13%
80	78,001 - 79,000	1	79,000	79,000	26,857	99.93%	298,039,000	99.16%
81	79,001 - 80,000	1	80,000	80,000	26,858	99.93%	298,119,000	99.18%
82	80,001 - 81,000	1	81,000	81,000	26,859	99.93%	298,200,000	99.21%
83	81,001 - 82,000	1	82,000	82,000	26,860	99.94%	298,282,000	99.24%
84	82,001 - 83,000	-	-	-	26,860	99.94%	298,282,000	99.24%
85	83,001 - 84,000	1	84,000	84,000	26,861	99.94%	298,366,000	99.27%
86	84,001 - 85,000	-	-	-	26,861	99.94%	298,366,000	99.27%
87	85,001 - 86,000	-	-	-	26,861	99.94%	298,366,000	99.27%
88	86,001 - 87,000	-	-	-	26,861	99.94%	298,366,000	99.27%
89	87,001 - 88,000	1	88,000	88,000	26,862	99.94%	298,454,000	99.29%
90	88,001 - 89,000	-	-	-	26,862	99.94%	298,454,000	99.29%
91	89,001 - 90,000	-	-	-	26,862	99.94%	298,454,000	99.29%
92	90,001 - 91,000	-	-	-	26,862	99.94%	298,454,000	99.29%
93	91,001 - 92,000	-	-	-	26,862	99.94%	298,454,000	99.29%
94	92,001 - 93,000	1	93,000	93,000	26,863	99.95%	298,547,000	99.33%
95	93,001 - 94,000	-	-	-	26,863	99.95%	298,547,000	99.33%
96	94,001 - 95,000	1	95,000	95,000	26,864	99.95%	298,642,000	99.36%
97	95,001 - 96,000	-	-	-	26,864	99.95%	298,642,000	99.36%
98	96,001 - 97,000	-	-	-	26,864	99.95%	298,642,000	99.36%
99	97,001 - 98,000	-	-	-	26,864	99.95%	298,642,000	99.36%
100	98,001 - 99,000	-	-	-	26,864	99.95%	298,642,000	99.36%
101	99,001 - 100,000	2	100,000	200,000	26,866	99.96%	298,842,000	99.42%
102	102,000 - 102,000	1	102,000	102,000	26,867	99.96%	298,944,000	99.46%
103	105,000 - 105,000	1	105,000	105,000	26,868	99.97%	299,049,000	99.49%
104	109,000 - 109,000	1	109,000	109,000	26,869	99.97%	299,158,000	99.53%
105	114,000 - 114,000	1	114,000	114,000	26,870	99.97%	299,272,000	99.57%
106	118,000 - 118,000	1	118,000	118,000	26,871	99.98%	299,390,000	99.61%
107	130,000 - 130,000	1	130,000	130,000	26,872	99.98%	299,520,000	99.65%
108	140,000 - 140,000	1	140,000	140,000	26,873	99.99%	299,660,000	99.70%

New River Utility Company
 Test Year Ended December 31, 2011
 Bill Count

Exhibit: RLI-RB-1
 Schedule H-5 Rebuttal
 Witness: Jones

Meter Size: 5/8" x 3/4"
 Rate Code: R1

Rate Tiers	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
			Base Charge:	\$ 7.50	\$ 11.00
Tier One Breakover (M gal):	12	4	Tier One Rate:	\$ 1.20	\$ 1.05
Tier Two Breakover (M gal):	18	11	Tier Two Rate:	\$ 1.40	\$ 2.10
Tier Three Breakover (M gal):	999,999	999,999	Tier Three Rate:	\$ 1.60	\$ 2.88

Line No.	Block	Number of Bills in Block	Average Consumption in Block	Consumption in Block	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
109	174,000 - 174,000	1	174,000	174,000	26,874	99.99%	299,834,000	99.75%
110	184,000 - 184,000	1	184,000	184,000	26,875	99.99%	300,018,000	99.82%
111	186,000 - 186,000	1	186,000	186,000	26,876	100.00%	300,204,000	99.88%
112	370,000 - 370,000	1	370,000	370,000	26,877	100.00%	300,574,000	100.00%

Meter Size: 5/8" x 3/4"
Rate Code: R1

Rate Tiers	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
			Base Charge:	\$ 7.50	\$ 11.00
Tier One Breakover (M gal):	12	4	Tier One Rate:	\$ 1.20	\$ 1.05
Tier Two Breakover (M gal):	18	11	Tier Two Rate:	\$ 1.40	\$ 2.10
Tier Three Breakover (M gal):	999,999	999,999	Tier Three Rate:	\$ 1.60	\$ 2.88

Line No.	Block	Number of Bills in Block	Average Consumption in Block	Consumption in Block	Cumulative Bills		Cumulative Consumption	
					No.	% of Total	Amount	% of Total
113								
114	Totals	26,877		300,574,000	26,877		300,574,000	
115								
116	Total Bills	26,877						
117								
118								
119	Average Number of Customers		2,240		Base Charge	26,877	\$ 201,578	26,877 \$ 295,647
120					Usage (gallons)			
121	Average Consumption (gallons)		11,183		Tier One	224,322,000	\$ 269,186	98,572,000 \$ 103,501
122					Tier Two	39,637,000	55,492	115,658,000 242,882
123	Median Consumption (gallons)		8,762		Tier Three	36,615,000	58,584	86,344,000 248,671
124					Usage Totals	300,574,000		300,574,000
125					Revenue Totals		\$ 584,840	\$ 890,700
126								

New River Utility Company
Test Year Ended December 31, 2011
Bill Count

Exhibit: RLJ-RB-1
Schedule H-5 Rebuttal
Witness: Jones

Meter Size: 3/4"
Rate Code: R2

3/4" R2			Charges	Present Rates	Proposed Rates
Rate Tiers	Present Rates	Proposed Rates	Base Charge:	\$ 7.50	\$ 11.00
Tier One Breakover (M gal):	12	4	Tier One Rate:	\$ 1.20	\$ 1.05
Tier Two Breakover (M gal):	18	11	Tier Two Rate:	\$ 1.40	\$ 2.10
Tier Three Breakover (M gal):	999,999	999,999	Tier Three Rate:	\$ 1.60	\$ 2.88

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
1	- - -	16	-	-	16	44.44%	-	0.00%
2	1 - 1,000	-	-	-	16	44.44%	-	0.00%
3	1,001 - 2,000	-	-	-	16	44.44%	-	0.00%
4	2,001 - 3,000	-	-	-	16	44.44%	-	0.00%
5	3,001 - 4,000	-	-	-	16	44.44%	-	0.00%
6	4,001 - 5,000	-	-	-	16	44.44%	-	0.00%
7	5,001 - 6,000	-	-	-	16	44.44%	-	0.00%
8	6,001 - 7,000	-	-	-	16	44.44%	-	0.00%
9	7,001 - 8,000	-	-	-	16	44.44%	-	0.00%
10	8,001 - 9,000	-	-	-	16	44.44%	-	0.00%
11	9,001 - 10,000	-	-	-	16	44.44%	-	0.00%
12	10,001 - 11,000	1	11,000	11,000	17	47.22%	11,000	0.74%
13	11,001 - 12,000	-	-	-	17	47.22%	11,000	0.74%
14	12,001 - 13,000	-	-	-	17	47.22%	11,000	0.74%
15	13,001 - 14,000	-	-	-	17	47.22%	11,000	0.74%
16	14,001 - 15,000	-	-	-	17	47.22%	11,000	0.74%
17	15,001 - 16,000	-	-	-	17	47.22%	11,000	0.74%
18	16,001 - 17,000	-	-	-	17	47.22%	11,000	0.74%
19	17,001 - 18,000	-	-	-	17	47.22%	11,000	0.74%
20	18,001 - 19,000	-	-	-	17	47.22%	11,000	0.74%
21	19,001 - 20,000	-	-	-	17	47.22%	11,000	0.74%
22	20,001 - 21,000	-	-	-	17	47.22%	11,000	0.74%
23	21,001 - 22,000	-	-	-	17	47.22%	11,000	0.74%
24	22,001 - 23,000	-	-	-	17	47.22%	11,000	0.74%
25	23,001 - 24,000	-	-	-	17	47.22%	11,000	0.74%
26	24,001 - 25,000	2	25,000	50,000	19	52.78%	61,000	4.11%
27	25,001 - 26,000	-	-	-	19	52.78%	61,000	4.11%
28	26,001 - 27,000	1	27,000	27,000	20	55.56%	88,000	5.93%
29	27,001 - 28,000	-	-	-	20	55.56%	88,000	5.93%
30	28,001 - 29,000	-	-	-	20	55.56%	88,000	5.93%
31	29,001 - 30,000	1	30,000	30,000	21	58.33%	118,000	7.96%
32	30,001 - 31,000	-	-	-	21	58.33%	118,000	7.96%
33	31,001 - 32,000	-	-	-	21	58.33%	118,000	7.96%
34	32,001 - 33,000	-	-	-	21	58.33%	118,000	7.96%
35	33,001 - 34,000	-	-	-	21	58.33%	118,000	7.96%
36	34,001 - 35,000	-	-	-	21	58.33%	118,000	7.96%
37	35,001 - 36,000	-	-	-	21	58.33%	118,000	7.96%
38	36,001 - 37,000	-	-	-	21	58.33%	118,000	7.96%
39	37,001 - 38,000	-	-	-	21	58.33%	118,000	7.96%
40	38,001 - 39,000	1	39,000	39,000	22	61.11%	157,000	10.59%
41	39,001 - 40,000	-	-	-	22	61.11%	157,000	10.59%
42	40,001 - 41,000	-	-	-	22	61.11%	157,000	10.59%
43	41,001 - 42,000	-	-	-	22	61.11%	157,000	10.59%
44	42,001 - 43,000	-	-	-	22	61.11%	157,000	10.59%
45	43,001 - 44,000	-	-	-	22	61.11%	157,000	10.59%
46	44,001 - 45,000	-	-	-	22	61.11%	157,000	10.59%
47	45,001 - 46,000	-	-	-	22	61.11%	157,000	10.59%
48	46,001 - 47,000	-	-	-	22	61.11%	157,000	10.59%
49	47,001 - 48,000	-	-	-	22	61.11%	157,000	10.59%
50	48,001 - 49,000	-	-	-	22	61.11%	157,000	10.59%
51	49,001 - 50,000	-	-	-	22	61.11%	157,000	10.59%
52	50,001 - 51,000	-	-	-	22	61.11%	157,000	10.59%
53	51,001 - 52,000	-	-	-	22	61.11%	157,000	10.59%
54	52,001 - 53,000	-	-	-	22	61.11%	157,000	10.59%

New River Utility Company
Test Year Ended December 31, 2011
Bill Count

Exhibit: RLJ-RB-1
Schedule H-5 Rebuttal
Witness: Jones

Meter Size: 3/4"
Rate Code: R2

Rate Tiers	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
			Base Charge: \$	7.50	\$ 11.00
Tier One Breakover (M gal):	12	4	Tier One Rate: \$	1.20	\$ 1.05
Tier Two Breakover (M gal):	18	11	Tier Two Rate: \$	1.40	\$ 2.10
Tier Three Breakover (M gal):	999,999	999,999	Tier Three Rate: \$	1.60	\$ 2.88

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
55	53,001 - 54,000	1	54,000	54,000	23	63.89%	211,000	14.23%
56	54,001 - 55,000	-	-	-	23	63.89%	211,000	14.23%
57	55,001 - 56,000	1	56,000	56,000	24	66.67%	267,000	18.00%
58	56,001 - 57,000	-	-	-	24	66.67%	267,000	18.00%
59	57,001 - 58,000	-	-	-	24	66.67%	267,000	18.00%
60	58,001 - 59,000	-	-	-	24	66.67%	267,000	18.00%
61	59,001 - 60,000	-	-	-	24	66.67%	267,000	18.00%
62	60,001 - 61,000	-	-	-	24	66.67%	267,000	18.00%
63	61,001 - 62,000	-	-	-	24	66.67%	267,000	18.00%
64	62,001 - 63,000	1	63,000	63,000	25	69.44%	330,000	22.25%
65	63,001 - 64,000	-	-	-	25	69.44%	330,000	22.25%
66	64,001 - 65,000	-	-	-	25	69.44%	330,000	22.25%
67	65,001 - 66,000	1	66,000	66,000	26	72.22%	396,000	26.70%
68	66,001 - 67,000	-	-	-	26	72.22%	396,000	26.70%
69	67,001 - 68,000	1	68,000	68,000	27	75.00%	464,000	31.29%
70	68,001 - 69,000	-	-	-	27	75.00%	464,000	31.29%
71	69,001 - 70,000	-	-	-	27	75.00%	464,000	31.29%
72	70,001 - 71,000	-	-	-	27	75.00%	464,000	31.29%
73	71,001 - 72,000	-	-	-	27	75.00%	464,000	31.29%
74	72,001 - 73,000	-	-	-	27	75.00%	464,000	31.29%
75	73,001 - 74,000	-	-	-	27	75.00%	464,000	31.29%
76	74,001 - 75,000	1	75,000	75,000	28	77.78%	539,000	36.35%
77	75,001 - 76,000	-	-	-	28	77.78%	539,000	36.35%
78	76,001 - 77,000	1	77,000	77,000	29	80.56%	616,000	41.54%
79	77,001 - 78,000	-	-	-	29	80.56%	616,000	41.54%
80	78,001 - 79,000	-	-	-	29	80.56%	616,000	41.54%
81	79,001 - 80,000	2	80,000	160,000	31	86.11%	776,000	52.33%
82	80,001 - 81,000	-	-	-	31	86.11%	776,000	52.33%
83	81,001 - 82,000	-	-	-	31	86.11%	776,000	52.33%
84	82,001 - 83,000	-	-	-	31	86.11%	776,000	52.33%
85	83,001 - 84,000	-	-	-	31	86.11%	776,000	52.33%
86	84,001 - 85,000	-	-	-	31	86.11%	776,000	52.33%
87	85,001 - 86,000	-	-	-	31	86.11%	776,000	52.33%
88	86,001 - 87,000	-	-	-	31	86.11%	776,000	52.33%
89	87,001 - 88,000	1	88,000	88,000	32	88.89%	864,000	58.26%
90	88,001 - 89,000	-	-	-	32	88.89%	864,000	58.26%
91	89,001 - 90,000	-	-	-	32	88.89%	864,000	58.26%
92	90,001 - 91,000	-	-	-	32	88.89%	864,000	58.26%
93	91,001 - 92,000	-	-	-	32	88.89%	864,000	58.26%
94	92,001 - 93,000	-	-	-	32	88.89%	864,000	58.26%
95	93,001 - 94,000	-	-	-	32	88.89%	864,000	58.26%
96	94,001 - 95,000	1	95,000	95,000	33	91.67%	959,000	64.67%
97	95,001 - 96,000	-	-	-	33	91.67%	959,000	64.67%
98	96,001 - 97,000	-	-	-	33	91.67%	959,000	64.67%
99	97,001 - 98,000	-	-	-	33	91.67%	959,000	64.67%
100	98,001 - 99,000	-	-	-	33	91.67%	959,000	64.67%
101	99,001 - 100,000	-	-	-	33	91.67%	959,000	64.67%
102	109,000 - 109,000	1	109,000	109,000	34	94.44%	1,068,000	72.02%
103	129,000 - 129,000	1	129,000	129,000	35	97.22%	1,197,000	80.71%
104	286,000 - 286,000	1	286,000	286,000	36	100.00%	1,483,000	100.00%
105								
106	Totals	36		1,483,000	36		1,483,000	
107								
108	Total Bills	36				Current Rates		Proposed Rates

New River Utility Company
Test Year Ended December 31, 2011
Bill Count

Exhibit: RLJ-RB-1
Schedule H-5 Rebuttal
Witness: Jones

Meter Size: 3/4"
Rate Code: R2

Rate Tiers	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
			Base Charge:	\$ 7.50	\$ 11.00
Tier One Breakover (M gal):	12	4	Tier One Rate:	\$ 1.20	\$ 1.05
Tier Two Breakover (M gal):	18	11	Tier Two Rate:	\$ 1.40	\$ 2.10
Tier Three Breakover (M gal):	999,999	999,999	Tier Three Rate:	\$ 1.60	\$ 2.88

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption		
					No.	% of Total	Amount	% of Total	
109						Units	Revenue	Units	Revenue
110					Base Charge	36	\$ 270	36	\$ 396
111	Average Number of Customers		3						
112					Usage (gallons)				
113	Average Consumption (gallons)		41,194		Tier One	239,000	\$ 287	80,000	\$ 84
114					Tier Two	114,000	160	140,000	294
115	Median Consumption (gallons)		18,000		Tier Three	1,130,000	1,808	1,263,000	3,637
116					Usage Totals	1,483,000		1,483,000	
117					Revenue Totals		\$ 2,524		\$ 4,411
118									

New River Utility Company
Test Year Ended December 31, 2011
Bill Count

Exhibit: RLJ-RB-1
Schedule H-5 Rebuttal
Witness: Jones

Meter Size: 1"
Rate Code: R3

Rate Tiers	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
			Base Charge: \$	18.75	\$ 27.50
Tier One Breakover (M gal):	12	-	Tier One Rate: \$	1.20	\$ -
Tier Two Breakover (M gal):	18	23	Tier Two Rate: \$	1.40	\$ 2.10
Tier Three Breakover (M gal):	999,999	999,999	Tier Three Rate: \$	1.60	\$ 2.88

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
1	- - -	255	-	-	255	3.89%	-	0.00%
2	1 - 1,000	102	1,000	102,000	357	5.44%	102,000	0.10%
3	1,001 - 2,000	130	2,000	260,000	487	7.43%	362,000	0.34%
4	2,001 - 3,000	185	3,000	555,000	672	10.25%	917,000	0.87%
5	3,001 - 4,000	268	4,000	1,072,000	940	14.34%	1,989,000	1.88%
6	4,001 - 5,000	343	5,000	1,715,000	1,283	19.57%	3,704,000	3.50%
7	5,001 - 6,000	358	6,000	2,148,000	1,641	25.03%	5,852,000	5.53%
8	6,001 - 7,000	382	7,000	2,674,000	2,023	30.85%	8,526,000	8.06%
9	7,001 - 8,000	375	8,000	3,000,000	2,398	36.57%	11,526,000	10.90%
10	8,001 - 9,000	363	9,000	3,267,000	2,761	42.11%	14,793,000	13.99%
11	9,001 - 10,000	370	10,000	3,700,000	3,131	47.75%	18,493,000	17.49%
12	10,001 - 11,000	292	11,000	3,212,000	3,423	52.20%	21,705,000	20.53%
13	11,001 - 12,000	263	12,000	3,156,000	3,686	56.21%	24,861,000	23.51%
14	12,001 - 13,000	261	13,000	3,393,000	3,947	60.20%	28,254,000	26.72%
15	13,001 - 14,000	267	14,000	3,738,000	4,214	64.27%	31,992,000	30.26%
16	14,001 - 15,000	196	15,000	2,940,000	4,410	67.26%	34,932,000	33.04%
17	15,001 - 16,000	196	16,000	3,136,000	4,606	70.25%	38,068,000	36.00%
18	16,001 - 17,000	181	17,000	3,077,000	4,787	73.01%	41,145,000	38.91%
19	17,001 - 18,000	175	18,000	3,150,000	4,962	75.67%	44,295,000	41.89%
20	18,001 - 19,000	165	19,000	3,135,000	5,127	78.19%	47,430,000	44.86%
21	19,001 - 20,000	138	20,000	2,760,000	5,265	80.30%	50,190,000	47.47%
22	20,001 - 21,000	133	21,000	2,793,000	5,398	82.32%	52,983,000	50.11%
23	21,001 - 22,000	104	22,000	2,288,000	5,502	83.91%	55,271,000	52.27%
24	22,001 - 23,000	108	23,000	2,484,000	5,610	85.56%	57,755,000	54.62%
25	23,001 - 24,000	80	24,000	1,920,000	5,690	86.78%	59,675,000	56.44%
26	24,001 - 25,000	74	25,000	1,850,000	5,764	87.91%	61,525,000	58.19%
27	25,001 - 26,000	69	26,000	1,794,000	5,833	88.96%	63,319,000	59.88%
28	26,001 - 27,000	63	27,000	1,701,000	5,896	89.92%	65,020,000	61.49%
29	27,001 - 28,000	58	28,000	1,624,000	5,954	90.80%	66,644,000	63.03%
30	28,001 - 29,000	37	29,000	1,073,000	5,991	91.37%	67,717,000	64.04%
31	29,001 - 30,000	50	30,000	1,500,000	6,041	92.13%	69,217,000	65.46%
32	30,001 - 31,000	30	31,000	930,000	6,071	92.59%	70,147,000	66.34%
33	31,001 - 32,000	40	32,000	1,280,000	6,111	93.20%	71,427,000	67.55%
34	32,001 - 33,000	33	33,000	1,089,000	6,144	93.70%	72,516,000	68.58%
35	33,001 - 34,000	26	34,000	884,000	6,170	94.10%	73,400,000	69.42%
36	34,001 - 35,000	31	35,000	1,085,000	6,201	94.57%	74,485,000	70.44%
37	35,001 - 36,000	29	36,000	1,044,000	6,230	95.01%	75,529,000	71.43%
38	36,001 - 37,000	20	37,000	740,000	6,250	95.32%	76,269,000	72.13%
39	37,001 - 38,000	-	-	-	6,250	95.32%	76,269,000	72.13%
40	38,001 - 39,000	30	38,533	1,156,000	6,280	95.78%	77,425,000	73.22%
41	39,001 - 40,000	15	40,000	600,000	6,295	96.00%	78,025,000	73.79%
42	40,001 - 41,000	13	41,000	533,000	6,308	96.20%	78,558,000	74.30%
43	41,001 - 42,000	12	42,000	504,000	6,320	96.39%	79,062,000	74.77%
44	42,001 - 43,000	-	-	-	6,320	96.39%	79,062,000	74.77%
45	43,001 - 44,000	-	-	-	6,320	96.39%	79,062,000	74.77%
46	44,001 - 45,000	27	44,037	1,189,000	6,347	96.80%	80,251,000	75.90%
47	45,001 - 46,000	6	46,000	276,000	6,353	96.89%	80,527,000	76.16%
48	46,001 - 47,000	15	47,000	705,000	6,368	97.12%	81,232,000	76.83%
49	47,001 - 48,000	10	48,000	480,000	6,378	97.27%	81,712,000	77.28%
50	48,001 - 49,000	10	49,000	490,000	6,388	97.42%	82,202,000	77.74%
51	49,001 - 50,000	3	50,000	150,000	6,391	97.47%	82,352,000	77.88%
52	50,001 - 51,000	8	51,000	408,000	6,399	97.59%	82,760,000	78.27%
53	51,001 - 52,000	2	52,000	104,000	6,401	97.62%	82,864,000	78.37%
54	52,001 - 53,000	10	53,000	530,000	6,411	97.77%	83,394,000	78.87%

New River Utility Company
Test Year Ended December 31, 2011
Bill Count

Exhibit: RLI-RB-1
Schedule H-5 Rebuttal
Witness: Jones

Meter Size: 1"
Rate Code: R3

		Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
Rate Tiers				Base Charge:	\$ 18.75	\$ 27.50
Tier One Breakover (M gal):	12	-		Tier One Rate:	\$ 1.20	\$ -
Tier Two Breakover (M gal):	18	23		Tier Two Rate:	\$ 1.40	\$ 2.10
Tier Three Breakover (M gal):	999,999	999,999		Tier Three Rate:	\$ 1.60	\$ 2.88

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
55	53,001 - 54,000	4	54,000	216,000	6,415	97.83%	83,610,000	79.07%
56	54,001 - 55,000	4	55,000	220,000	6,419	97.90%	83,830,000	79.28%
57	55,001 - 56,000	4	56,000	224,000	6,423	97.96%	84,054,000	79.49%
58	56,001 - 57,000	4	57,000	228,000	6,427	98.02%	84,282,000	79.71%
59	57,001 - 58,000	1	58,000	58,000	6,428	98.03%	84,340,000	79.76%
60	58,001 - 59,000	5	59,000	295,000	6,433	98.11%	84,635,000	80.04%
61	59,001 - 60,000	3	60,000	180,000	6,436	98.15%	84,815,000	80.21%
62	60,001 - 61,000	4	61,000	244,000	6,440	98.22%	85,059,000	80.44%
63	61,001 - 62,000	1	62,000	62,000	6,441	98.23%	85,121,000	80.50%
64	62,001 - 63,000	3	63,000	189,000	6,444	98.28%	85,310,000	80.68%
65	63,001 - 64,000	2	64,000	128,000	6,446	98.31%	85,438,000	80.80%
66	64,001 - 65,000	5	65,000	325,000	6,451	98.38%	85,763,000	81.11%
67	65,001 - 66,000	2	66,000	132,000	6,453	98.41%	85,895,000	81.24%
68	66,001 - 67,000	6	67,000	402,000	6,459	98.51%	86,297,000	81.62%
69	67,001 - 68,000	1	68,000	68,000	6,460	98.52%	86,365,000	81.68%
70	68,001 - 69,000	3	69,000	207,000	6,463	98.57%	86,572,000	81.88%
71	69,001 - 70,000	-	-	-	6,463	98.57%	86,572,000	81.88%
72	70,001 - 71,000	2	71,000	142,000	6,465	98.60%	86,714,000	82.01%
73	71,001 - 72,000	-	-	-	6,465	98.60%	86,714,000	82.01%
74	72,001 - 73,000	1	73,000	73,000	6,466	98.61%	86,787,000	82.08%
75	73,001 - 74,000	5	74,000	370,000	6,471	98.69%	87,157,000	82.43%
76	74,001 - 75,000	1	75,000	75,000	6,472	98.70%	87,232,000	82.50%
77	75,001 - 76,000	2	76,000	152,000	6,474	98.73%	87,384,000	82.64%
78	76,001 - 77,000	-	-	-	6,474	98.73%	87,384,000	82.64%
79	77,001 - 78,000	1	78,000	78,000	6,475	98.75%	87,462,000	82.72%
80	78,001 - 79,000	1	79,000	79,000	6,476	98.76%	87,541,000	82.79%
81	79,001 - 80,000	1	80,000	80,000	6,477	98.78%	87,621,000	82.87%
82	80,001 - 81,000	1	81,000	81,000	6,478	98.80%	87,702,000	82.94%
83	81,001 - 82,000	-	-	-	6,478	98.80%	87,702,000	82.94%
84	82,001 - 83,000	1	83,000	83,000	6,479	98.81%	87,785,000	83.02%
85	83,001 - 84,000	-	-	-	6,479	98.81%	87,785,000	83.02%
86	84,001 - 85,000	1	85,000	85,000	6,480	98.83%	87,870,000	83.10%
87	85,001 - 86,000	2	86,000	172,000	6,482	98.86%	88,042,000	83.27%
88	86,001 - 87,000	2	87,000	174,000	6,484	98.89%	88,216,000	83.43%
89	87,001 - 88,000	1	88,000	88,000	6,485	98.90%	88,304,000	83.51%
90	88,001 - 89,000	-	-	-	6,485	98.90%	88,304,000	83.51%
91	89,001 - 90,000	-	-	-	6,485	98.90%	88,304,000	83.51%
92	90,001 - 91,000	1	91,000	91,000	6,486	98.92%	88,395,000	83.60%
93	91,001 - 92,000	2	92,000	184,000	6,488	98.95%	88,579,000	83.77%
94	92,001 - 93,000	-	-	-	6,488	98.95%	88,579,000	83.77%
95	93,001 - 94,000	-	-	-	6,488	98.95%	88,579,000	83.77%
96	94,001 - 95,000	4	95,000	380,000	6,492	99.01%	88,959,000	84.13%
97	95,001 - 96,000	-	-	-	6,492	99.01%	88,959,000	84.13%
98	96,001 - 97,000	1	96,500	96,500	6,493	99.02%	89,055,500	84.22%
99	97,001 - 98,000	-	-	-	6,493	99.02%	89,055,500	84.22%
100	98,001 - 99,000	1	99,000	99,000	6,494	99.04%	89,154,500	84.32%
101	99,001 - 100,000	2	100,000	200,000	6,496	99.07%	89,354,500	84.51%
102	104,000 - 104,000	1	104,000	104,000	6,497	99.08%	89,458,500	84.61%
103	105,000 - 105,000	1	105,000	105,000	6,498	99.10%	89,563,500	84.70%
104	106,000 - 106,000	1	106,000	106,000	6,499	99.12%	89,669,500	84.81%
105	107,000 - 107,000	1	107,000	107,000	6,500	99.13%	89,776,500	84.91%
106	109,000 - 109,000	1	109,000	109,000	6,501	99.15%	89,885,500	85.01%
107	110,000 - 110,000	1	110,000	110,000	6,502	99.16%	89,995,500	85.11%
108	111,000 - 111,000	1	111,000	111,000	6,503	99.18%	90,106,500	85.22%

New River Utility Company
Test Year Ended December 31, 2011
Bill Count

Exhibit: RLJ-RB-1
Schedule H-5 Rebuttal
Witness: Jones

Meter Size: 1"
Rate Code: R3

	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
Base Charge:			\$	18.75	\$ 27.50
Tier One Breakover (M gal):	12	-	Tier One Rate:	\$ 1.20	\$ -
Tier Two Breakover (M gal):	18	23	Tier Two Rate:	\$ 1.40	\$ 2.10
Tier Three Breakover (M gal):	999,999	999,999	Tier Three Rate:	\$ 1.60	\$ 2.88

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
109	113,000 - 113,000	1	113,000	113,000	6,504	99.19%	90,219,500	85.33%
110	115,000 - 115,000	1	115,000	115,000	6,505	99.21%	90,334,500	85.43%
111	118,000 - 118,000	1	118,000	118,000	6,506	99.22%	90,452,500	85.55%
112	123,000 - 123,000	1	123,000	123,000	6,507	99.24%	90,575,500	85.66%
113	123,000 - 123,000	1	123,000	123,000	6,508	99.25%	90,698,500	85.78%
114	124,000 - 124,000	1	124,000	124,000	6,509	99.27%	90,822,500	85.90%
115	129,000 - 129,000	1	129,000	129,000	6,510	99.28%	90,951,500	86.02%
116	130,000 - 130,000	1	130,000	130,000	6,511	99.30%	91,081,500	86.14%
117	130,000 - 130,000	1	130,000	130,000	6,512	99.31%	91,211,500	86.26%
118	132,000 - 132,000	1	132,000	132,000	6,513	99.33%	91,343,500	86.39%
119	133,000 - 133,000	1	133,000	133,000	6,514	99.34%	91,476,500	86.51%
120	135,000 - 135,000	1	135,000	135,000	6,515	99.36%	91,611,500	86.64%
121	137,000 - 137,000	1	137,000	137,000	6,516	99.37%	91,748,500	86.77%
122	137,000 - 137,000	1	137,000	137,000	6,517	99.39%	91,885,500	86.90%
123	140,000 - 140,000	1	140,000	140,000	6,518	99.41%	92,025,500	87.03%
124	142,000 - 142,000	1	142,000	142,000	6,519	99.42%	92,167,500	87.17%
125	145,000 - 145,000	1	145,000	145,000	6,520	99.44%	92,312,500	87.30%
126	149,000 - 149,000	1	149,000	149,000	6,521	99.45%	92,461,500	87.45%
127	153,000 - 153,000	1	153,000	153,000	6,522	99.47%	92,614,500	87.59%
128	154,000 - 154,000	1	154,000	154,000	6,523	99.48%	92,768,500	87.74%
129	157,000 - 157,000	1	157,000	157,000	6,524	99.50%	92,925,500	87.88%
130	157,000 - 157,000	1	157,000	157,000	6,525	99.51%	93,082,500	88.03%
131	158,000 - 158,000	1	158,000	158,000	6,526	99.53%	93,240,500	88.18%
132	192,000 - 192,000	1	192,000	192,000	6,527	99.54%	93,432,500	88.36%
133	210,000 - 210,000	1	210,000	210,000	6,528	99.56%	93,642,500	88.56%
134	215,000 - 215,000	1	215,000	215,000	6,529	99.57%	93,857,500	88.77%
135	240,000 - 240,000	1	240,000	240,000	6,530	99.59%	94,097,500	88.99%
136	242,000 - 242,000	1	242,000	242,000	6,531	99.60%	94,339,500	89.22%
137	243,000 - 243,000	1	243,000	243,000	6,532	99.62%	94,582,500	89.45%
138	246,000 - 246,000	1	246,000	246,000	6,533	99.63%	94,828,500	89.68%
139	253,000 - 253,000	1	253,000	253,000	6,534	99.65%	95,081,500	89.92%
140	255,000 - 255,000	1	255,000	255,000	6,535	99.66%	95,336,500	90.16%
141	264,000 - 264,000	1	264,000	264,000	6,536	99.68%	95,600,500	90.41%
142	274,000 - 274,000	1	274,000	274,000	6,537	99.69%	95,874,500	90.67%
143	284,000 - 284,000	1	284,000	284,000	6,538	99.71%	96,158,500	90.94%
144	294,000 - 294,000	1	294,000	294,000	6,539	99.73%	96,452,500	91.22%
145	298,000 - 298,000	1	298,000	298,000	6,540	99.74%	96,750,500	91.50%
146	315,000 - 315,000	1	315,000	315,000	6,541	99.76%	97,065,500	91.80%
147	324,000 - 324,000	1	324,000	324,000	6,542	99.77%	97,389,500	92.11%
148	333,000 - 333,000	1	333,000	333,000	6,543	99.79%	97,722,500	92.42%
149	347,000 - 347,000	1	347,000	347,000	6,544	99.80%	98,069,500	92.75%
150	376,000 - 376,000	1	376,000	376,000	6,545	99.82%	98,445,500	93.10%
151	408,000 - 408,000	1	408,000	408,000	6,546	99.83%	98,853,500	93.49%
152	463,000 - 463,000	1	463,000	463,000	6,547	99.85%	99,316,500	93.93%
153	476,500 - 476,500	1	476,500	476,500	6,548	99.86%	99,793,500	94.38%
154	479,000 - 479,000	1	479,000	479,000	6,549	99.88%	100,272,000	94.83%
155	512,000 - 512,000	1	512,000	512,000	6,550	99.89%	100,784,000	95.32%
156	549,000 - 549,000	1	549,000	549,000	6,551	99.91%	101,333,000	95.84%
157	568,000 - 568,000	1	568,000	568,000	6,552	99.92%	101,901,000	96.37%
158	585,000 - 585,000	1	585,000	585,000	6,553	99.94%	102,486,000	96.93%
159	600,500 - 600,500	1	600,500	600,500	6,554	99.95%	103,086,500	97.49%
160	790,500 - 790,500	1	790,500	790,500	6,555	99.97%	103,877,000	98.24%
161	804,000 - 804,000	1	804,000	804,000	6,556	99.98%	104,681,000	99.00%
162	##### - #####	1	1,055,000	1,055,000	6,557	100.00%	105,736,000	100.00%

Meter Size: 1"
Rate Code: R3

Rate Tiers	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
			Base Charge:	\$ 18.75	\$ 27.50
Tier One Breakover (M gal):	12	-	Tier One Rate:	\$ 1.20	\$ -
Tier Two Breakover (M gal):	18	23	Tier Two Rate:	\$ 1.40	\$ 2.10
Tier Three Breakover (M gal):	999,999	999,999	Tier Three Rate:	\$ 1.60	\$ 2.88

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
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163								
164	Totals	6,557		105,736,000	6,557		105,736,000	
165								

166	Total Bills	6,557						
167								
168								
169	Average Number of Customers	546						
170								
171	Average Consumption (gallons)	16,126						
172								
173	Median Consumption (gallons)	10,505						
174								
175								
176								

Meter Size: 1-1/2"
Rate Code: R4

Rate Tiers	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
			Base Charge:	\$ 37.50	\$ 55.00
Tier One Breakover (M gal):	12	-	Tier One Rate:	\$ 1.20	\$ -
Tier Two Breakover (M gal):	18	45	Tier Two Rate:	\$ 1.40	\$ 2.10
Tier Three Breakover (M gal):	999,999	999,999	Tier Three Rate:	\$ 1.60	\$ 2.88

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
1	- - -	11	-	-	11	8.33%	-	0.00%
2	1 - 1,000	5	1,000	5,000	16	12.12%	5,000	0.09%
3	1,001 - 2,000	7	2,000	14,000	23	17.42%	19,000	0.33%
4	2,001 - 3,000	15	3,000	45,000	38	28.79%	64,000	1.11%
5	3,001 - 4,000	23	4,000	92,000	61	46.21%	156,000	2.70%
6	4,001 - 5,000	6	5,000	30,000	67	50.76%	186,000	3.22%
7	5,001 - 6,000	6	6,000	36,000	73	55.30%	222,000	3.85%
8	6,001 - 7,000	8	7,000	56,000	81	61.36%	278,000	4.82%
9	7,001 - 8,000	4	8,000	32,000	85	64.39%	310,000	5.37%
10	8,001 - 9,000	2	9,000	18,000	87	65.91%	328,000	5.68%
11	9,001 - 10,000	5	10,000	50,000	92	69.70%	378,000	6.55%
12	10,001 - 11,000	1	11,000	11,000	93	70.45%	389,000	6.74%
13	11,001 - 12,000	1	12,000	12,000	94	71.21%	401,000	6.95%
14	12,001 - 13,000	3	13,000	39,000	97	73.48%	440,000	7.62%
15	13,001 - 14,000	-	-	-	97	73.48%	440,000	7.62%
16	14,001 - 15,000	1	15,000	15,000	98	74.24%	455,000	7.88%
17	15,001 - 16,000	1	16,000	16,000	99	75.00%	471,000	8.16%
18	16,001 - 17,000	-	-	-	99	75.00%	471,000	8.16%
19	17,001 - 18,000	1	18,000	18,000	100	75.76%	489,000	8.47%
20	18,001 - 19,000	-	-	-	100	75.76%	489,000	8.47%
21	19,001 - 20,000	-	-	-	100	75.76%	489,000	8.47%
22	20,001 - 21,000	1	21,000	21,000	101	76.52%	510,000	8.84%
23	21,001 - 22,000	-	-	-	101	76.52%	510,000	8.84%
24	22,001 - 23,000	-	-	-	101	76.52%	510,000	8.84%
25	23,001 - 24,000	2	24,000	48,000	103	78.03%	558,000	9.67%
26	24,001 - 25,000	2	25,000	50,000	105	79.55%	608,000	10.53%
27	25,001 - 26,000	-	-	-	105	79.55%	608,000	10.53%
28	26,001 - 27,000	1	27,000	27,000	106	80.30%	635,000	11.00%
29	27,001 - 28,000	-	-	-	106	80.30%	635,000	11.00%
30	28,001 - 29,000	-	-	-	106	80.30%	635,000	11.00%
31	29,001 - 30,000	-	-	-	106	80.30%	635,000	11.00%
32	30,001 - 31,000	-	-	-	106	80.30%	635,000	11.00%
33	31,001 - 32,000	-	-	-	106	80.30%	635,000	11.00%
34	32,001 - 33,000	1	33,000	33,000	107	81.06%	668,000	11.57%
35	33,001 - 34,000	-	-	-	107	81.06%	668,000	11.57%
36	34,001 - 35,000	-	-	-	107	81.06%	668,000	11.57%
37	35,001 - 36,000	-	-	-	107	81.06%	668,000	11.57%
38	36,001 - 37,000	-	-	-	107	81.06%	668,000	11.57%
39	37,001 - 38,000	-	-	-	107	81.06%	668,000	11.57%
40	38,001 - 39,000	1	39,000	39,000	108	81.82%	707,000	12.25%
41	39,001 - 40,000	-	-	-	108	81.82%	707,000	12.25%
42	40,001 - 41,000	-	-	-	108	81.82%	707,000	12.25%
43	41,001 - 42,000	1	42,000	42,000	109	82.58%	749,000	12.98%
44	42,001 - 43,000	-	-	-	109	82.58%	749,000	12.98%
45	43,001 - 44,000	-	-	-	109	82.58%	749,000	12.98%
46	44,001 - 45,000	-	-	-	109	82.58%	749,000	12.98%
47	45,001 - 46,000	-	-	-	109	82.58%	749,000	12.98%
48	46,001 - 47,000	1	47,000	47,000	110	83.33%	796,000	13.79%
49	47,001 - 48,000	-	-	-	110	83.33%	796,000	13.79%
50	48,001 - 49,000	-	-	-	110	83.33%	796,000	13.79%
51	49,001 - 50,000	1	50,000	50,000	111	84.09%	846,000	14.66%
52	50,001 - 51,000	-	-	-	111	84.09%	846,000	14.66%
53	51,001 - 52,000	1	52,000	52,000	112	84.85%	898,000	15.56%
54	52,001 - 53,000	-	-	-	112	84.85%	898,000	15.56%

Meter Size: 1-1/2"
Rate Code: R4

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	12	-
Tier Two Breakover (M gal):	18	45
Tier Three Breakover (M gal):	999,999	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	\$ 37.50	\$ 55.00
Tier One Rate:	\$ 1.20	\$ -
Tier Two Rate:	\$ 1.40	\$ 2.10
Tier Three Rate:	\$ 1.60	\$ 2.88

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
55	53,001 - 54,000	-	-	-	112	84.85%	898,000	15.56%
56	54,001 - 55,000	1	55,000	55,000	113	85.61%	953,000	16.51%
57	55,001 - 56,000	-	-	-	113	85.61%	953,000	16.51%
58	56,001 - 57,000	-	-	-	113	85.61%	953,000	16.51%
59	57,001 - 58,000	-	-	-	113	85.61%	953,000	16.51%
60	58,001 - 59,000	-	-	-	113	85.61%	953,000	16.51%
61	59,001 - 60,000	1	60,000	60,000	114	86.36%	1,013,000	17.55%
62	60,001 - 61,000	-	-	-	114	86.36%	1,013,000	17.55%
63	61,001 - 62,000	-	-	-	114	86.36%	1,013,000	17.55%
64	62,001 - 63,000	1	63,000	63,000	115	87.12%	1,076,000	18.64%
65	63,001 - 64,000	-	-	-	115	87.12%	1,076,000	18.64%
66	64,001 - 65,000	-	-	-	115	87.12%	1,076,000	18.64%
67	65,001 - 66,000	-	-	-	115	87.12%	1,076,000	18.64%
68	66,001 - 67,000	-	-	-	115	87.12%	1,076,000	18.64%
69	67,001 - 68,000	-	-	-	115	87.12%	1,076,000	18.64%
70	68,001 - 69,000	-	-	-	115	87.12%	1,076,000	18.64%
71	69,001 - 70,000	-	-	-	115	87.12%	1,076,000	18.64%
72	70,001 - 71,000	1	71,000	71,000	116	87.88%	1,147,000	19.87%
73	71,001 - 72,000	2	72,000	144,000	118	89.39%	1,291,000	22.37%
74	72,001 - 73,000	-	-	-	118	89.39%	1,291,000	22.37%
75	73,001 - 74,000	-	-	-	118	89.39%	1,291,000	22.37%
76	74,001 - 75,000	-	-	-	118	89.39%	1,291,000	22.37%
77	75,001 - 76,000	1	76,000	76,000	119	90.15%	1,367,000	23.68%
78	76,001 - 77,000	-	-	-	119	90.15%	1,367,000	23.68%
79	77,001 - 78,000	-	-	-	119	90.15%	1,367,000	23.68%
80	78,001 - 79,000	-	-	-	119	90.15%	1,367,000	23.68%
81	79,001 - 80,000	-	-	-	119	90.15%	1,367,000	23.68%
82	80,001 - 81,000	-	-	-	119	90.15%	1,367,000	23.68%
83	81,001 - 82,000	-	-	-	119	90.15%	1,367,000	23.68%
84	82,001 - 83,000	-	-	-	119	90.15%	1,367,000	23.68%
85	83,001 - 84,000	-	-	-	119	90.15%	1,367,000	23.68%
86	84,001 - 85,000	1	85,000	85,000	120	90.91%	1,452,000	25.16%
87	85,001 - 86,000	-	-	-	120	90.91%	1,452,000	25.16%
88	86,001 - 87,000	-	-	-	120	90.91%	1,452,000	25.16%
89	87,001 - 88,000	-	-	-	120	90.91%	1,452,000	25.16%
90	88,001 - 89,000	1	89,000	89,000	121	91.67%	1,541,000	26.70%
91	89,001 - 90,000	-	-	-	121	91.67%	1,541,000	26.70%
92	90,001 - 91,000	-	-	-	121	91.67%	1,541,000	26.70%
93	91,001 - 92,000	-	-	-	121	91.67%	1,541,000	26.70%
94	92,001 - 93,000	-	-	-	121	91.67%	1,541,000	26.70%
95	93,001 - 94,000	1	94,000	94,000	122	92.42%	1,635,000	28.33%
96	94,001 - 95,000	-	-	-	122	92.42%	1,635,000	28.33%
97	95,001 - 96,000	-	-	-	122	92.42%	1,635,000	28.33%
98	96,001 - 97,000	-	-	-	122	92.42%	1,635,000	28.33%
99	97,001 - 98,000	-	-	-	122	92.42%	1,635,000	28.33%
100	98,001 - 99,000	-	-	-	122	92.42%	1,635,000	28.33%
101	99,001 - 100,000	-	-	-	122	92.42%	1,635,000	28.33%
102	130,000 - 130,000	1	130,000	130,000	123	93.18%	1,765,000	30.58%
103	175,000 - 175,000	1	175,000	175,000	124	93.94%	1,940,000	33.61%
104	185,000 - 185,000	1	185,000	185,000	125	94.70%	2,125,000	36.82%
105	247,000 - 247,000	1	247,000	247,000	126	95.45%	2,372,000	41.09%
106	334,000 - 334,000	1	334,000	334,000	127	96.21%	2,706,000	46.88%
107	361,000 - 361,000	1	361,000	361,000	128	96.97%	3,067,000	53.14%
108	404,000 - 404,000	1	404,000	404,000	129	97.73%	3,471,000	60.14%

New River Utility Company
Test Year Ended December 31, 2011
Bill Count

Exhibit: RLJ-RB-1
Schedule H-5 Rebuttal
Witness: Jones

Meter Size: 1-1/2"
Rate Code: R4

Rate Tiers	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
			Base Charge:	\$ 37.50	\$ 55.00
Tier One Breakover (M gal):	12	-	Tier One Rate:	\$ 1.20	\$ -
Tier Two Breakover (M gal):	18	45	Tier Two Rate:	\$ 1.40	\$ 2.10
Tier Three Breakover (M gal):	999,999	999,999	Tier Three Rate:	\$ 1.60	\$ 2.88

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
109	614,000 - 614,000	1	614,000	614,000	130	98.48%	4,085,000	70.77%
110	795,000 - 795,000	1	795,000	795,000	131	99.24%	4,880,000	84.55%
111	892,000 - 892,000	1	892,000	892,000	132	100.00%	5,772,000	100.00%
112								
113	Totals	132		5,772,000	132		5,772,000	
114								
115	Total Bills	132						

						Current Rates		Proposed Rates	
						Units	Revenue	Units	Revenue
117					Base Charge	132	\$ 4,950	132	\$ 7,260
118	Average Number of Customers	11							
119					Usage (gallons)				
120	Average Consumption (gallons)	43,727			Tier One	857,000	\$ 1,028	-	\$ -
121					Tier Two	208,000	291	1,784,000	3,746
122	Median Consumption (gallons)	4,833			Tier Three	4,707,000	7,531	3,988,000	11,485
123					Usage Totals	5,772,000		5,772,000	
124					Revenue Totals		\$ 13,801		\$ 22,492
125									

New River Utility Company
Test Year Ended December 31, 2011
Bill Count

Exhibit: RLJ-RB-1
Schedule H-5 Rebuttal
Witness: Jones

Meter Size: 2"
Rate Code: R5

Rate Tiers	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
			Base Charge: \$	60.00	\$ 88.00
Tier One Breakover (M gal):	12	-	Tier One Rate: \$	1.20	\$ -
Tier Two Breakover (M gal):	18	72	Tier Two Rate: \$	1.40	\$ 2.10
Tier Three Breakover (M gal):	999,999	999,999	Tier Three Rate: \$	1.60	\$ 2.88

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
1	- - -	195	-	-	195	14.38%	-	0.00%
2	1 - 1,000	24	1,000	24,000	219	16.15%	24,000	0.02%
3	1,001 - 2,000	27	2,000	54,000	246	18.14%	78,000	0.05%
4	2,001 - 3,000	40	3,000	120,000	286	21.09%	198,000	0.13%
5	3,001 - 4,000	43	4,000	172,000	329	24.26%	370,000	0.25%
6	4,001 - 5,000	38	5,000	190,000	367	27.06%	560,000	0.38%
7	5,001 - 6,000	34	6,000	204,000	401	29.57%	764,000	0.52%
8	6,001 - 7,000	23	7,000	161,000	424	31.27%	925,000	0.63%
9	7,001 - 8,000	12	8,000	96,000	436	32.15%	1,021,000	0.69%
10	8,001 - 9,000	14	9,000	126,000	450	33.19%	1,147,000	0.78%
11	9,001 - 10,000	16	10,000	160,000	466	34.37%	1,307,000	0.89%
12	10,001 - 11,000	16	11,000	176,000	482	35.55%	1,483,000	1.01%
13	11,001 - 12,000	5	12,000	60,000	487	35.91%	1,543,000	1.05%
14	12,001 - 13,000	12	13,000	156,000	499	36.80%	1,699,000	1.15%
15	13,001 - 14,000	9	14,000	126,000	508	37.46%	1,825,000	1.24%
16	14,001 - 15,000	14	15,000	210,000	522	38.50%	2,035,000	1.38%
17	15,001 - 16,000	13	16,000	208,000	535	39.45%	2,243,000	1.52%
18	16,001 - 17,000	7	17,000	119,000	542	39.97%	2,362,000	1.60%
19	17,001 - 18,000	13	18,000	234,000	555	40.93%	2,596,000	1.76%
20	18,001 - 19,000	13	19,000	247,000	568	41.89%	2,843,000	1.93%
21	19,001 - 20,000	18	20,000	360,000	586	43.22%	3,203,000	2.17%
22	20,001 - 21,000	9	21,000	189,000	595	43.88%	3,392,000	2.30%
23	21,001 - 22,000	10	22,000	220,000	605	44.62%	3,612,000	2.45%
24	22,001 - 23,000	12	23,000	276,000	617	45.50%	3,888,000	2.64%
25	23,001 - 24,000	14	24,000	336,000	631	46.53%	4,224,000	2.86%
26	24,001 - 25,000	9	25,000	225,000	640	47.20%	4,449,000	3.02%
27	25,001 - 26,000	9	26,000	234,000	649	47.86%	4,683,000	3.18%
28	26,001 - 27,000	9	27,000	243,000	658	48.53%	4,926,000	3.34%
29	27,001 - 28,000	10	28,000	280,000	668	49.26%	5,206,000	3.53%
30	28,001 - 29,000	18	29,000	522,000	686	50.59%	5,728,000	3.88%
31	29,001 - 30,000	2	30,000	60,000	688	50.74%	5,788,000	3.92%
32	30,001 - 31,000	9	31,000	279,000	697	51.40%	6,067,000	4.11%
33	31,001 - 32,000	7	32,000	224,000	704	51.92%	6,291,000	4.27%
34	32,001 - 33,000	7	33,000	231,000	711	52.43%	6,522,000	4.42%
35	33,001 - 34,000	10	34,000	340,000	721	53.17%	6,862,000	4.65%
36	34,001 - 35,000	6	35,000	210,000	727	53.61%	7,072,000	4.80%
37	35,001 - 36,000	6	36,000	216,000	733	54.06%	7,288,000	4.94%
38	36,001 - 37,000	6	37,000	222,000	739	54.50%	7,510,000	5.09%
39	37,001 - 38,000	-	-	-	739	54.50%	7,510,000	5.09%
40	38,001 - 39,000	23	38,391	883,000	762	56.19%	8,393,000	5.69%
41	39,001 - 40,000	6	40,000	240,000	768	56.64%	8,633,000	5.85%
42	40,001 - 41,000	6	40,917	245,500	774	57.08%	8,878,500	6.02%
43	41,001 - 42,000	4	42,000	168,000	778	57.37%	9,046,500	6.13%
44	42,001 - 43,000	-	-	-	778	57.37%	9,046,500	6.13%
45	43,001 - 44,000	-	-	-	778	57.37%	9,046,500	6.13%
46	44,001 - 45,000	20	43,950	879,000	798	58.85%	9,925,500	6.73%
47	45,001 - 46,000	7	46,000	322,000	805	59.37%	10,247,500	6.95%
48	46,001 - 47,000	5	47,000	235,000	810	59.73%	10,482,500	7.11%
49	47,001 - 48,000	3	48,000	144,000	813	59.96%	10,626,500	7.21%
50	48,001 - 49,000	5	49,000	245,000	818	60.32%	10,871,500	7.37%
51	49,001 - 50,000	4	50,000	200,000	822	60.62%	11,071,500	7.51%
52	50,001 - 51,000	4	51,000	204,000	826	60.91%	11,275,500	7.65%
53	51,001 - 52,000	2	52,000	104,000	828	61.06%	11,379,500	7.72%
54	52,001 - 53,000	1	53,000	53,000	829	61.14%	11,432,500	7.75%

Meter Size: 2"
Rate Code: R5

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	12	-
Tier Two Breakover (M gal):	18	72
Tier Three Breakover (M gal):	999,999	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	\$ 60.00	\$ 88.00
Tier One Rate:	\$ 1.20	\$ -
Tier Two Rate:	\$ 1.40	\$ 2.10
Tier Three Rate:	\$ 1.60	\$ 2.88

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
55	53,001 - 54,000	3	54,000	162,000	832	61.36%	11,594,500	7.86%
56	54,001 - 55,000	2	55,000	110,000	834	61.50%	11,704,500	7.94%
57	55,001 - 56,000	2	56,000	112,000	836	61.65%	11,816,500	8.01%
58	56,001 - 57,000	4	57,000	228,000	840	61.95%	12,044,500	8.17%
59	57,001 - 58,000	1	58,000	58,000	841	62.02%	12,102,500	8.21%
60	58,001 - 59,000	1	59,000	59,000	842	62.09%	12,161,500	8.25%
61	59,001 - 60,000	2	60,000	120,000	844	62.24%	12,281,500	8.33%
62	60,001 - 61,000	7	61,000	427,000	851	62.76%	12,708,500	8.62%
63	61,001 - 62,000	4	62,000	248,000	855	63.05%	12,956,500	8.79%
64	62,001 - 63,000	6	63,000	378,000	861	63.50%	13,334,500	9.04%
65	63,001 - 64,000	4	64,000	256,000	865	63.79%	13,590,500	9.22%
66	64,001 - 65,000	1	65,000	65,000	866	63.86%	13,655,500	9.26%
67	65,001 - 66,000	3	66,000	198,000	869	64.09%	13,853,500	9.39%
68	66,001 - 67,000	7	67,000	469,000	876	64.60%	14,322,500	9.71%
69	67,001 - 68,000	-	-	-	876	64.60%	14,322,500	9.71%
70	68,001 - 69,000	3	69,000	207,000	879	64.82%	14,529,500	9.85%
71	69,001 - 70,000	6	70,000	420,000	885	65.27%	14,949,500	10.14%
72	70,001 - 71,000	2	71,000	142,000	887	65.41%	15,091,500	10.23%
73	71,001 - 72,000	4	72,000	288,000	891	65.71%	15,379,500	10.43%
74	72,001 - 73,000	5	73,000	365,000	896	66.08%	15,744,500	10.68%
75	73,001 - 74,000	3	74,000	222,000	899	66.30%	15,966,500	10.83%
76	74,001 - 75,000	5	74,900	374,500	904	66.67%	16,341,000	11.08%
77	75,001 - 76,000	3	76,000	228,000	907	66.89%	16,569,000	11.24%
78	76,001 - 77,000	5	77,000	385,000	912	67.26%	16,954,000	11.50%
79	77,001 - 78,000	3	78,000	234,000	915	67.48%	17,188,000	11.66%
80	78,001 - 79,000	-	-	-	915	67.48%	17,188,000	11.66%
81	79,001 - 80,000	5	80,000	400,000	920	67.85%	17,588,000	11.93%
82	80,001 - 81,000	4	81,000	324,000	924	68.14%	17,912,000	12.15%
83	81,001 - 82,000	6	82,000	492,000	930	68.58%	18,404,000	12.48%
84	82,001 - 83,000	1	83,000	83,000	931	68.66%	18,487,000	12.54%
85	83,001 - 84,000	2	84,000	168,000	933	68.81%	18,655,000	12.65%
86	84,001 - 85,000	5	85,000	425,000	938	69.17%	19,080,000	12.94%
87	85,001 - 86,000	1	86,000	86,000	939	69.25%	19,166,000	13.00%
88	86,001 - 87,000	2	87,000	174,000	941	69.40%	19,340,000	13.11%
89	87,001 - 88,000	2	88,000	176,000	943	69.54%	19,516,000	13.23%
90	88,001 - 89,000	1	89,000	89,000	944	69.62%	19,605,000	13.29%
91	89,001 - 90,000	1	90,000	90,000	945	69.69%	19,695,000	13.36%
92	90,001 - 91,000	2	91,000	182,000	947	69.84%	19,877,000	13.48%
93	91,001 - 92,000	1	92,000	92,000	948	69.91%	19,969,000	13.54%
94	92,001 - 93,000	2	93,000	186,000	950	70.06%	20,155,000	13.67%
95	93,001 - 94,000	1	94,000	94,000	951	70.13%	20,249,000	13.73%
96	94,001 - 95,000	1	95,000	95,000	952	70.21%	20,344,000	13.80%
97	95,001 - 96,000	1	96,000	96,000	953	70.28%	20,440,000	13.86%
98	96,001 - 97,000	2	97,000	194,000	955	70.43%	20,634,000	13.99%
99	97,001 - 98,000	1	98,000	98,000	956	70.50%	20,732,000	14.06%
100	98,001 - 99,000	1	99,000	99,000	957	70.58%	20,831,000	14.13%
101	99,001 - 100,000	3	100,000	300,000	960	70.80%	21,131,000	14.33%
102	101,000 - 101,000	2	101,000	202,000	962	70.94%	21,333,000	14.47%
103	102,000 - 102,000	2	102,000	204,000	964	71.09%	21,537,000	14.60%
104	103,000 - 103,000	3	103,000	309,000	967	71.31%	21,846,000	14.81%
105	104,000 - 104,000	2	104,000	208,000	969	71.46%	22,054,000	14.96%
106	105,000 - 105,000	3	105,000	315,000	972	71.68%	22,369,000	15.17%
107	106,000 - 106,000	2	106,000	212,000	974	71.83%	22,581,000	15.31%
108	108,000 - 108,000	1	108,000	108,000	975	71.90%	22,689,000	15.39%

New River Utility Company
Test Year Ended December 31, 2011
Bill Count

Exhibit: RLJ-RB-1
Schedule H-5 Rebuttal
Witness: Jones

Meter Size: 2"
Rate Code: R5

Rate Tiers	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
			Base Charge:	\$ 60.00	\$ 88.00
Tier One Breakover (M gal):	12	-	Tier One Rate:	\$ 1.20	\$ -
Tier Two Breakover (M gal):	18	72	Tier Two Rate:	\$ 1.40	\$ 2.10
Tier Three Breakover (M gal):	999,999	999,999	Tier Three Rate:	\$ 1.60	\$ 2.88

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
109	109,000 - 109,000	1	109,000	109,000	976	71.98%	22,798,000	15.46%
110	110,000 - 110,000	3	110,000	330,000	979	72.20%	23,128,000	15.68%
111	111,000 - 111,000	3	111,000	333,000	982	72.42%	23,461,000	15.91%
112	112,000 - 112,000	2	112,000	224,000	984	72.57%	23,685,000	16.06%
113	113,000 - 113,000	4	113,000	452,000	988	72.86%	24,137,000	16.37%
114	114,000 - 114,000	2	114,000	228,000	990	73.01%	24,365,000	16.52%
115	115,000 - 115,000	1	115,000	115,000	991	73.08%	24,480,000	16.60%
116	116,000 - 116,000	2	116,000	232,000	993	73.23%	24,712,000	16.76%
117	117,000 - 117,000	2	117,000	234,000	995	73.38%	24,946,000	16.92%
118	118,000 - 118,000	2	118,000	236,000	997	73.53%	25,182,000	17.08%
119	119,000 - 119,000	2	119,000	238,000	999	73.67%	25,420,000	17.24%
120	120,000 - 120,000	1	120,000	120,000	1,000	73.75%	25,540,000	17.32%
121	121,000 - 121,000	2	121,000	242,000	1,002	73.89%	25,782,000	17.48%
122	122,000 - 122,000	2	122,000	244,000	1,004	74.04%	26,026,000	17.65%
123	123,000 - 123,000	2	123,000	246,000	1,006	74.19%	26,272,000	17.82%
124	124,000 - 124,000	2	124,000	248,000	1,008	74.34%	26,520,000	17.98%
125	125,000 - 125,000	2	125,000	250,000	1,010	74.48%	26,770,000	18.15%
126	129,000 - 129,000	2	129,000	258,000	1,012	74.63%	27,028,000	18.33%
127	131,000 - 131,000	2	131,000	262,000	1,014	74.78%	27,290,000	18.51%
128	134,000 - 134,000	1	134,000	134,000	1,015	74.85%	27,424,000	18.60%
129	135,000 - 135,000	7	135,000	945,000	1,022	75.37%	28,369,000	19.24%
130	136,000 - 136,000	2	136,000	272,000	1,024	75.52%	28,641,000	19.42%
131	137,000 - 137,000	2	137,000	274,000	1,026	75.66%	28,915,000	19.61%
132	138,000 - 138,000	1	138,000	138,000	1,027	75.74%	29,053,000	19.70%
133	139,000 - 139,000	3	139,000	417,000	1,030	75.96%	29,470,000	19.98%
134	140,000 - 140,000	2	140,000	280,000	1,032	76.11%	29,750,000	20.17%
135	141,000 - 141,000	1	141,000	141,000	1,033	76.18%	29,891,000	20.27%
136	142,000 - 142,000	3	142,000	426,000	1,036	76.40%	30,317,000	20.56%
137	143,000 - 143,000	1	143,000	143,000	1,037	76.47%	30,460,000	20.66%
138	144,000 - 144,000	1	144,000	144,000	1,038	76.55%	30,604,000	20.75%
139	145,000 - 145,000	2	145,000	290,000	1,040	76.70%	30,894,000	20.95%
140	147,000 - 147,000	3	147,000	441,000	1,043	76.92%	31,335,000	21.25%
141	148,000 - 148,000	3	148,000	444,000	1,046	77.14%	31,779,000	21.55%
142	149,000 - 149,000	2	149,000	298,000	1,048	77.29%	32,077,000	21.75%
143	150,000 - 150,000	3	150,000	450,000	1,051	77.51%	32,527,000	22.06%
144	151,000 - 151,000	3	151,000	453,000	1,054	77.73%	32,980,000	22.36%
145	152,000 - 152,000	4	152,000	608,000	1,058	78.02%	33,588,000	22.78%
146	153,000 - 153,000	1	153,000	153,000	1,059	78.10%	33,741,000	22.88%
147	154,000 - 154,000	2	154,000	308,000	1,061	78.24%	34,049,000	23.09%
148	155,000 - 155,000	4	155,000	620,000	1,065	78.54%	34,669,000	23.51%
149	156,000 - 156,000	1	156,000	156,000	1,066	78.61%	34,825,000	23.62%
150	158,000 - 158,000	2	158,000	316,000	1,068	78.76%	35,141,000	23.83%
151	159,000 - 159,000	2	159,000	318,000	1,070	78.91%	35,459,000	24.05%
152	160,000 - 160,000	1	160,000	160,000	1,071	78.98%	35,619,000	24.15%
153	161,000 - 161,000	3	161,000	483,000	1,074	79.20%	36,102,000	24.48%
154	162,000 - 162,000	2	162,000	324,000	1,076	79.35%	36,426,000	24.70%
155	163,000 - 163,000	2	163,000	326,000	1,078	79.50%	36,752,000	24.92%
156	165,000 - 165,000	1	165,000	165,000	1,079	79.57%	36,917,000	25.03%
157	166,000 - 166,000	4	166,000	664,000	1,083	79.87%	37,581,000	25.48%
158	167,000 - 167,000	2	167,000	334,000	1,085	80.01%	37,915,000	25.71%
159	168,000 - 168,000	2	168,000	336,000	1,087	80.16%	38,251,000	25.94%
160	169,000 - 169,000	2	169,000	338,000	1,089	80.31%	38,589,000	26.17%
161	170,000 - 170,000	2	170,000	340,000	1,091	80.46%	38,929,000	26.40%
162	171,000 - 171,000	1	171,000	171,000	1,092	80.53%	39,100,000	26.51%

New River Utility Company
Test Year Ended December 31, 2011
Bill Count

Exhibit: RLJ-RB-1
Schedule H-5 Rebuttal
Witness: Jones

Meter Size: 2"
Rate Code: R5

		Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
Rate Tiers				Base Charge:	\$ 60.00	\$ 88.00
Tier One Breakover (M gal):	12	-		Tier One Rate:	\$ 1.20	\$ -
Tier Two Breakover (M gal):	18	72		Tier Two Rate:	\$ 1.40	\$ 2.10
Tier Three Breakover (M gal):	999,999	999,999		Tier Three Rate:	\$ 1.60	\$ 2.88

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
163	172,000 - 172,000	2	172,000	344,000	1,094	80.68%	39,444,000	26.75%
164	173,000 - 173,000	2	173,000	346,000	1,096	80.83%	39,790,000	26.98%
165	174,000 - 174,000	1	174,000	174,000	1,097	80.90%	39,964,000	27.10%
166	175,000 - 175,000	1	175,000	175,000	1,098	80.97%	40,139,000	27.22%
167	177,000 - 177,000	2	177,000	354,000	1,100	81.12%	40,493,000	27.46%
168	178,000 - 178,000	1	178,000	178,000	1,101	81.19%	40,671,000	27.58%
169	179,000 - 179,000	1	179,000	179,000	1,102	81.27%	40,850,000	27.70%
170	180,000 - 180,000	2	180,000	360,000	1,104	81.42%	41,210,000	27.95%
171	181,000 - 181,000	4	181,000	724,000	1,108	81.71%	41,934,000	28.44%
172	182,000 - 182,000	5	182,000	910,000	1,113	82.08%	42,844,000	29.05%
173	183,000 - 183,000	2	183,000	366,000	1,115	82.23%	43,210,000	29.30%
174	184,000 - 184,000	1	184,000	184,000	1,116	82.30%	43,394,000	29.43%
175	186,000 - 186,000	2	186,000	372,000	1,118	82.45%	43,766,000	29.68%
176	189,000 - 189,000	1	189,000	189,000	1,119	82.52%	43,955,000	29.81%
177	190,000 - 190,000	2	190,000	380,000	1,121	82.67%	44,335,000	30.06%
178	191,000 - 191,000	5	191,000	955,000	1,126	83.04%	45,290,000	30.71%
179	192,000 - 192,000	1	192,000	192,000	1,127	83.11%	45,482,000	30.84%
180	194,000 - 194,000	3	194,000	582,000	1,130	83.33%	46,064,000	31.24%
181	195,000 - 195,000	1	195,000	195,000	1,131	83.41%	46,259,000	31.37%
182	197,000 - 197,000	2	197,000	394,000	1,133	83.55%	46,653,000	31.64%
183	200,000 - 200,000	1	200,000	200,000	1,134	83.63%	46,853,000	31.77%
184	201,000 - 201,000	1	201,000	201,000	1,135	83.70%	47,054,000	31.91%
185	202,000 - 202,000	4	202,000	808,000	1,139	84.00%	47,862,000	32.46%
186	204,000 - 204,000	1	204,000	204,000	1,140	84.07%	48,066,000	32.59%
187	205,000 - 205,000	3	205,000	615,000	1,143	84.29%	48,681,000	33.01%
188	208,000 - 208,000	1	208,000	208,000	1,144	84.37%	48,889,000	33.15%
189	211,000 - 211,000	1	211,000	211,000	1,145	84.44%	49,100,000	33.30%
190	212,000 - 212,000	2	212,000	424,000	1,147	84.59%	49,524,000	33.58%
191	213,000 - 213,000	3	213,000	639,000	1,150	84.81%	50,163,000	34.02%
192	215,000 - 215,000	1	215,000	215,000	1,151	84.88%	50,378,000	34.16%
193	218,000 - 218,000	2	218,000	436,000	1,153	85.03%	50,814,000	34.46%
194	220,000 - 220,000	1	220,000	220,000	1,154	85.10%	51,034,000	34.61%
195	221,000 - 221,000	1	221,000	221,000	1,155	85.18%	51,255,000	34.76%
196	225,000 - 225,000	1	225,000	225,000	1,156	85.25%	51,480,000	34.91%
197	226,000 - 226,000	1	226,000	226,000	1,157	85.32%	51,706,000	35.06%
198	227,000 - 227,000	1	227,000	227,000	1,158	85.40%	51,933,000	35.22%
199	228,000 - 228,000	3	228,000	684,000	1,161	85.62%	52,617,000	35.68%
200	229,000 - 229,000	2	229,000	458,000	1,163	85.77%	53,075,000	35.99%
201	230,000 - 230,000	1	230,000	230,000	1,164	85.84%	53,305,000	36.15%
202	231,000 - 231,000	1	231,000	231,000	1,165	85.91%	53,536,000	36.30%
203	232,000 - 232,000	1	232,000	232,000	1,166	85.99%	53,768,000	36.46%
204	233,000 - 233,000	1	233,000	233,000	1,167	86.06%	54,001,000	36.62%
205	234,000 - 234,000	1	234,000	234,000	1,168	86.14%	54,235,000	36.78%
206	235,000 - 235,000	1	235,000	235,000	1,169	86.21%	54,470,000	36.94%
207	236,000 - 236,000	2	236,000	472,000	1,171	86.36%	54,942,000	37.26%
208	237,000 - 237,000	1	237,000	237,000	1,172	86.43%	55,179,000	37.42%
209	239,000 - 239,000	1	239,000	239,000	1,173	86.50%	55,418,000	37.58%
210	240,000 - 240,000	1	240,000	240,000	1,174	86.58%	55,658,000	37.74%
211	243,000 - 243,000	1	243,000	243,000	1,175	86.65%	55,901,000	37.91%
212	245,000 - 245,000	1	245,000	245,000	1,176	86.73%	56,146,000	38.07%
213	250,000 - 250,000	4	250,000	1,000,000	1,180	87.02%	57,146,000	38.75%
214	251,000 - 251,000	1	251,000	251,000	1,181	87.09%	57,397,000	38.92%
215	252,000 - 252,000	3	252,000	756,000	1,184	87.32%	58,153,000	39.44%
216	253,000 - 253,000	1	253,000	253,000	1,185	87.39%	58,406,000	39.61%

New River Utility Company
Test Year Ended December 31, 2011
Bill Count

Exhibit: RLJ-RB-1
Schedule H-5 Rebuttal
Witness: Jones

Meter Size: 2"
Rate Code: R5

	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
Rate Tiers			Base Charge:	\$ 60.00	\$ 88.00
Tier One Breakover (M gal):	12	-	Tier One Rate:	\$ 1.20	\$ -
Tier Two Breakover (M gal):	18	72	Tier Two Rate:	\$ 1.40	\$ 2.10
Tier Three Breakover (M gal):	999,999	999,999	Tier Three Rate:	\$ 1.60	\$ 2.88

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
217	255,000 - 255,000	1	255,000	255,000	1,186	87.46%	58,661,000	39.78%
218	256,000 - 256,000	2	256,000	512,000	1,188	87.61%	59,173,000	40.13%
219	257,000 - 257,000	1	257,000	257,000	1,189	87.68%	59,430,000	40.30%
220	258,000 - 258,000	1	258,000	258,000	1,190	87.76%	59,688,000	40.48%
221	260,000 - 260,000	1	260,000	260,000	1,191	87.83%	59,948,000	40.65%
222	261,000 - 261,000	2	261,000	522,000	1,193	87.98%	60,470,000	41.01%
223	262,000 - 262,000	2	262,000	524,000	1,195	88.13%	60,994,000	41.36%
224	264,000 - 264,000	1	264,000	264,000	1,196	88.20%	61,258,000	41.54%
225	265,000 - 265,000	1	265,000	265,000	1,197	88.27%	61,523,000	41.72%
226	269,000 - 269,000	1	269,000	269,000	1,198	88.35%	61,792,000	41.90%
227	272,000 - 272,000	1	272,000	272,000	1,199	88.42%	62,064,000	42.09%
228	273,000 - 273,000	1	273,000	273,000	1,200	88.50%	62,337,000	42.27%
229	275,000 - 275,000	1	275,000	275,000	1,201	88.57%	62,612,000	42.46%
230	277,000 - 277,000	1	277,000	277,000	1,202	88.64%	62,889,000	42.65%
231	279,000 - 279,000	1	279,000	279,000	1,203	88.72%	63,168,000	42.84%
232	283,000 - 283,000	2	283,000	566,000	1,205	88.86%	63,734,000	43.22%
233	285,000 - 285,000	2	285,000	570,000	1,207	89.01%	64,304,000	43.61%
234	287,000 - 287,000	1	287,000	287,000	1,208	89.09%	64,591,000	43.80%
235	291,000 - 291,000	1	291,000	291,000	1,209	89.16%	64,882,000	44.00%
236	292,000 - 292,000	2	292,000	584,000	1,211	89.31%	65,466,000	44.39%
237	294,000 - 294,000	2	294,000	588,000	1,213	89.45%	66,054,000	44.79%
238	295,000 - 295,000	1	295,000	295,000	1,214	89.53%	66,349,000	44.99%
239	301,000 - 301,000	2	301,000	602,000	1,216	89.68%	66,951,000	45.40%
240	302,000 - 302,000	1	302,000	302,000	1,217	89.75%	67,253,000	45.61%
241	303,000 - 303,000	1	303,000	303,000	1,218	89.82%	67,556,000	45.81%
242	304,000 - 304,000	1	304,000	304,000	1,219	89.90%	67,860,000	46.02%
243	307,000 - 307,000	1	307,000	307,000	1,220	89.97%	68,167,000	46.23%
244	308,000 - 308,000	1	308,000	308,000	1,221	90.04%	68,475,000	46.43%
245	310,000 - 310,000	1	310,000	310,000	1,222	90.12%	68,785,000	46.64%
246	315,000 - 315,000	1	315,000	315,000	1,223	90.19%	69,100,000	46.86%
247	316,000 - 316,000	1	316,000	316,000	1,224	90.27%	69,416,000	47.07%
248	317,000 - 317,000	1	317,000	317,000	1,225	90.34%	69,733,000	47.29%
249	320,000 - 320,000	2	320,000	640,000	1,227	90.49%	70,373,000	47.72%
250	322,000 - 322,000	1	322,000	322,000	1,228	90.56%	70,695,000	47.94%
251	323,000 - 323,000	2	323,000	646,000	1,230	90.71%	71,341,000	48.38%
252	323,500 - 323,500	1	323,500	323,500	1,231	90.78%	71,664,500	48.60%
253	325,000 - 325,000	1	325,000	325,000	1,232	90.86%	71,989,500	48.82%
254	331,000 - 331,000	1	331,000	331,000	1,233	90.93%	72,320,500	49.04%
255	343,000 - 343,000	1	343,000	343,000	1,234	91.00%	72,663,500	49.28%
256	344,000 - 344,000	1	344,000	344,000	1,235	91.08%	73,007,500	49.51%
257	345,000 - 345,000	1	345,000	345,000	1,236	91.15%	73,352,500	49.74%
258	349,000 - 349,000	2	349,000	698,000	1,238	91.30%	74,050,500	50.22%
259	352,000 - 352,000	1	352,000	352,000	1,239	91.37%	74,402,500	50.45%
260	353,000 - 353,000	1	353,000	353,000	1,240	91.45%	74,755,500	50.69%
261	360,000 - 360,000	1	360,000	360,000	1,241	91.52%	75,115,500	50.94%
262	361,000 - 361,000	1	361,000	361,000	1,242	91.59%	75,476,500	51.18%
263	362,000 - 362,000	1	362,000	362,000	1,243	91.67%	75,838,500	51.43%
264	364,000 - 364,000	1	364,000	364,000	1,244	91.74%	76,202,500	51.67%
265	365,000 - 365,000	1	365,000	365,000	1,245	91.81%	76,567,500	51.92%
266	371,000 - 371,000	1	371,000	371,000	1,246	91.89%	76,938,500	52.17%
267	375,000 - 375,000	1	375,000	375,000	1,247	91.96%	77,313,500	52.43%
268	377,000 - 377,000	1	377,000	377,000	1,248	92.04%	77,690,500	52.68%
269	381,000 - 381,000	1	381,000	381,000	1,249	92.11%	78,071,500	52.94%
270	383,000 - 383,000	1	383,000	383,000	1,250	92.18%	78,454,500	53.20%

New River Utility Company
Test Year Ended December 31, 2011
Bill Count

Exhibit: RLJ-RB-1
Schedule H-5 Rebuttal
Witness: Jones

Meter Size: 2"
Rate Code: R5

	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
Rate Tiers			Base Charge:	\$ 60.00	\$ 88.00
Tier One Breakover (M gal):	12	-	Tier One Rate:	\$ 1.20	\$ -
Tier Two Breakover (M gal):	18	72	Tier Two Rate:	\$ 1.40	\$ 2.10
Tier Three Breakover (M gal):	999,999	999,999	Tier Three Rate:	\$ 1.60	\$ 2.88

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
271	384,000 - 384,000	1	384,000	384,000	1,251	92.26%	78,838,500	53.46%
272	385,000 - 385,000	1	385,000	385,000	1,252	92.33%	79,223,500	53.72%
273	389,000 - 389,000	1	389,000	389,000	1,253	92.40%	79,612,500	53.99%
274	396,000 - 396,000	1	396,000	396,000	1,254	92.48%	80,008,500	54.26%
275	399,000 - 399,000	2	399,000	798,000	1,256	92.63%	80,806,500	54.80%
276	400,000 - 400,000	1	400,000	400,000	1,257	92.70%	81,206,500	55.07%
277	401,000 - 401,000	2	401,000	802,000	1,259	92.85%	82,008,500	55.61%
278	402,000 - 402,000	2	402,000	804,000	1,261	92.99%	82,812,500	56.16%
279	404,000 - 404,000	2	404,000	808,000	1,263	93.14%	83,620,500	56.71%
280	406,000 - 406,000	1	406,000	406,000	1,264	93.22%	84,026,500	56.98%
281	408,000 - 408,000	1	408,000	408,000	1,265	93.29%	84,434,500	57.26%
282	411,000 - 411,000	1	411,000	411,000	1,266	93.36%	84,845,500	57.54%
283	412,000 - 412,000	2	412,000	824,000	1,268	93.51%	85,669,500	58.09%
284	413,000 - 413,000	3	413,000	1,239,000	1,271	93.73%	86,908,500	58.94%
285	415,000 - 415,000	2	415,000	830,000	1,273	93.88%	87,738,500	59.50%
286	416,000 - 416,000	2	416,000	832,000	1,275	94.03%	88,570,500	60.06%
287	420,000 - 420,000	1	420,000	420,000	1,276	94.10%	88,990,500	60.35%
288	421,000 - 421,000	2	421,000	842,000	1,278	94.25%	89,832,500	60.92%
289	422,000 - 422,000	1	422,000	422,000	1,279	94.32%	90,254,500	61.20%
290	423,000 - 423,000	1	423,000	423,000	1,280	94.40%	90,677,500	61.49%
291	427,000 - 427,000	1	427,000	427,000	1,281	94.47%	91,104,500	61.78%
292	430,000 - 430,000	2	430,000	860,000	1,283	94.62%	91,964,500	62.36%
293	438,000 - 438,000	1	438,000	438,000	1,284	94.69%	92,402,500	62.66%
294	440,000 - 440,000	1	440,000	440,000	1,285	94.76%	92,842,500	62.96%
295	452,000 - 452,000	1	452,000	452,000	1,286	94.84%	93,294,500	63.27%
296	463,000 - 463,000	1	463,000	463,000	1,287	94.91%	93,757,500	63.58%
297	472,500 - 472,500	1	472,500	472,500	1,288	94.99%	94,230,000	63.90%
298	480,000 - 480,000	1	480,000	480,000	1,289	95.06%	94,710,000	64.23%
299	481,000 - 481,000	1	481,000	481,000	1,290	95.13%	95,191,000	64.55%
300	487,000 - 487,000	1	487,000	487,000	1,291	95.21%	95,678,000	64.88%
301	488,000 - 488,000	1	488,000	488,000	1,292	95.28%	96,166,000	65.21%
302	490,000 - 490,000	1	490,000	490,000	1,293	95.35%	96,656,000	65.55%
303	491,000 - 491,000	1	491,000	491,000	1,294	95.43%	97,147,000	65.88%
304	497,000 - 497,000	1	497,000	497,000	1,295	95.50%	97,644,000	66.22%
305	500,000 - 500,000	1	500,000	500,000	1,296	95.58%	98,144,000	66.55%
306	507,000 - 507,000	1	507,000	507,000	1,297	95.65%	98,651,000	66.90%
307	508,000 - 508,000	1	508,000	508,000	1,298	95.72%	99,159,000	67.24%
308	509,000 - 509,000	1	509,000	509,000	1,299	95.80%	99,668,000	67.59%
309	509,000 - 509,000	1	509,000	509,000	1,300	95.87%	100,177,000	67.93%
310	513,000 - 513,000	1	513,000	513,000	1,301	95.94%	100,690,000	68.28%
311	513,000 - 513,000	1	513,000	513,000	1,302	96.02%	101,203,000	68.63%
312	514,000 - 514,000	1	514,000	514,000	1,303	96.09%	101,717,000	68.98%
313	516,000 - 516,000	1	516,000	516,000	1,304	96.17%	102,233,000	69.33%
314	522,000 - 522,000	1	522,000	522,000	1,305	96.24%	102,755,000	69.68%
315	523,000 - 523,000	1	523,000	523,000	1,306	96.31%	103,278,000	70.04%
316	527,000 - 527,000	1	527,000	527,000	1,307	96.39%	103,805,000	70.39%
317	531,000 - 531,000	1	531,000	531,000	1,308	96.46%	104,336,000	70.75%
318	537,000 - 537,000	1	537,000	537,000	1,309	96.53%	104,873,000	71.12%
319	540,000 - 540,000	1	540,000	540,000	1,310	96.61%	105,413,000	71.48%
320	543,000 - 543,000	1	543,000	543,000	1,311	96.68%	105,956,000	71.85%
321	544,000 - 544,000	1	544,000	544,000	1,312	96.76%	106,500,000	72.22%
322	557,000 - 557,000	1	557,000	557,000	1,313	96.83%	107,057,000	72.60%
323	563,000 - 563,000	1	563,000	563,000	1,314	96.90%	107,620,000	72.98%
324	569,000 - 569,000	1	569,000	569,000	1,315	96.98%	108,189,000	73.37%

New River Utility Company
Test Year Ended December 31, 2011
Bill Count

Exhibit: RLJ-RB-1
Schedule H-5 Rebuttal
Witness: Jones

Meter Size: 2"
Rate Code: R5

Rate Tiers	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
			Base Charge:	\$ 60.00	\$ 88.00
Tier One Breakover (M gal):	12	-	Tier One Rate:	\$ 1.20	\$ -
Tier Two Breakover (M gal):	18	72	Tier Two Rate:	\$ 1.40	\$ 2.10
Tier Three Breakover (M gal):	999,999	999,999	Tier Three Rate:	\$ 1.60	\$ 2.88

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
325	575,000 - 575,000	1	575,000	575,000	1,316	97.05%	108,764,000	73.76%
326	591,000 - 591,000	1	591,000	591,000	1,317	97.12%	109,355,000	74.16%
327	592,000 - 592,000	1	592,000	592,000	1,318	97.20%	109,947,000	74.56%
328	592,000 - 592,000	1	592,000	592,000	1,319	97.27%	110,539,000	74.96%
329	597,000 - 597,000	1	597,000	597,000	1,320	97.35%	111,136,000	75.36%
330	606,000 - 606,000	1	606,000	606,000	1,321	97.42%	111,742,000	75.78%
331	623,000 - 623,000	1	623,000	623,000	1,322	97.49%	112,365,000	76.20%
332	640,000 - 640,000	1	640,000	640,000	1,323	97.57%	113,005,000	76.63%
333	663,000 - 663,000	1	663,000	663,000	1,324	97.64%	113,668,000	77.08%
334	675,000 - 675,000	1	675,000	675,000	1,325	97.71%	114,343,000	77.54%
335	686,000 - 686,000	1	686,000	686,000	1,326	97.79%	115,029,000	78.00%
336	687,000 - 687,000	1	687,000	687,000	1,327	97.86%	115,716,000	78.47%
337	690,000 - 690,000	1	690,000	690,000	1,328	97.94%	116,406,000	78.94%
338	694,000 - 694,000	1	694,000	694,000	1,329	98.01%	117,100,000	79.41%
339	705,000 - 705,000	1	705,000	705,000	1,330	98.08%	117,805,000	79.89%
340	715,000 - 715,000	1	715,000	715,000	1,331	98.16%	118,520,000	80.37%
341	725,000 - 725,000	1	725,000	725,000	1,332	98.23%	119,245,000	80.86%
342	728,000 - 728,000	1	728,000	728,000	1,333	98.30%	119,973,000	81.36%
343	732,000 - 732,000	1	732,000	732,000	1,334	98.38%	120,705,000	81.85%
344	732,000 - 732,000	1	732,000	732,000	1,335	98.45%	121,437,000	82.35%
345	744,000 - 744,000	1	744,000	744,000	1,336	98.53%	122,181,000	82.85%
346	823,000 - 823,000	1	823,000	823,000	1,337	98.60%	123,004,000	83.41%
347	842,000 - 842,000	1	842,000	842,000	1,338	98.67%	123,846,000	83.98%
348	846,000 - 846,000	1	846,000	846,000	1,339	98.75%	124,692,000	84.56%
349	847,000 - 847,000	1	847,000	847,000	1,340	98.82%	125,539,000	85.13%
350	865,000 - 865,000	1	865,000	865,000	1,341	98.89%	126,404,000	85.72%
351	891,000 - 891,000	1	891,000	891,000	1,342	98.97%	127,295,000	86.32%
352	900,000 - 900,000	1	900,000	900,000	1,343	99.04%	128,195,000	86.93%
353	927,000 - 927,000	1	927,000	927,000	1,344	99.12%	129,122,000	87.56%
354	935,000 - 935,000	1	935,000	935,000	1,345	99.19%	130,057,000	88.20%
355	946,000 - 946,000	1	946,000	946,000	1,346	99.26%	131,003,000	88.84%
356	##### - #####	1	1,017,000	1,017,000	1,347	99.34%	132,020,000	89.53%
357	##### - #####	1	1,065,000	1,065,000	1,348	99.41%	133,085,000	90.25%
358	##### - #####	1	1,074,000	1,074,000	1,349	99.48%	134,159,000	90.98%
359	##### - #####	1	1,200,000	1,200,000	1,350	99.56%	135,359,000	91.79%
360	##### - #####	1	1,280,000	1,280,000	1,351	99.63%	136,639,000	92.66%
361	##### - #####	1	1,504,000	1,504,000	1,352	99.71%	138,143,000	93.68%
362	##### - #####	1	1,686,000	1,686,000	1,353	99.78%	139,829,000	94.82%
363	##### - #####	1	2,329,000	2,329,000	1,354	99.85%	142,158,000	96.40%
364	##### - #####	1	2,487,000	2,487,000	1,355	99.93%	144,645,000	98.09%
365	##### - #####	1	2,820,000	2,820,000	1,356	100.00%	147,465,000	100.00%

New River Utility Company
Test Year Ended December 31, 2011
Bill Count

Exhibit: RLJ-RB-1
Schedule H-5 Rebuttal
Witness: Jones

Meter Size: 2"
Rate Code: R5

	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
Base Charge:			\$	60.00	\$ 88.00
Tier One Breakover (M gal):	12	-	Tier One Rate:	\$ 1.20	\$ -
Tier Two Breakover (M gal):	18	72	Tier Two Rate:	\$ 1.40	\$ 2.10
Tier Three Breakover (M gal):	999,999	999,999	Tier Three Rate:	\$ 1.60	\$ 2.88

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
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366								
367	Totals	1,356		147,465,000	1,356		147,465,000	
368								

369	Total Bills	1,356						
370								
371								
372	Average Number of Customers	113						
373								
374	Average Consumption (gallons)	108,750						
375								
376	Median Consumption (gallons)	28,556						
377								
378								
379								

New River Utility Company
Test Year Ended December 31, 2011
Bill Count

Exhibit: RLJ-RB-1
Schedule H-5 Rebuttal
Witness: Jones

Meter Size: 2" (Hand Billed)
Rate Code: R5

Rate Tiers	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
			Base Charge: \$	60.00	\$ 88.00
Tier One Breakover (M gal):	12	-	Tier One Rate: \$	1.20	\$ -
Tier Two Breakover (M gal):	18	72	Tier Two Rate: \$	1.40	\$ 2.10
Tier Three Breakover (M gal):	999,999	999,999	Tier Three Rate: \$	1.60	\$ 2.88

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
1	-	-	-	-	-	0.00%	-	0.00%
2	1	-	1,000	-	-	0.00%	-	0.00%
3	1,001	-	2,000	-	-	0.00%	-	0.00%
4	2,001	-	3,000	-	-	0.00%	-	0.00%
5	3,001	-	4,000	-	-	0.00%	-	0.00%
6	4,001	-	5,000	1	4,700	11.11%	4,700	0.51%
7	5,001	-	6,000	1	4,700	11.11%	4,700	0.51%
8	6,001	-	7,000	1	4,700	11.11%	4,700	0.51%
9	7,001	-	8,000	1	4,700	11.11%	4,700	0.51%
10	8,001	-	9,000	1	4,700	11.11%	4,700	0.51%
11	9,001	-	10,000	1	4,700	11.11%	4,700	0.51%
12	10,001	-	11,000	1	4,700	11.11%	4,700	0.51%
13	11,001	-	12,000	1	4,700	11.11%	4,700	0.51%
14	12,001	-	13,000	1	4,700	11.11%	4,700	0.51%
15	13,001	-	14,000	1	4,700	11.11%	4,700	0.51%
16	14,001	-	15,000	1	4,700	11.11%	4,700	0.51%
17	15,001	-	16,000	1	4,700	11.11%	4,700	0.51%
18	16,001	-	17,000	1	4,700	11.11%	4,700	0.51%
19	17,001	-	18,000	2	17,500	33.33%	39,700	4.29%
20	18,001	-	19,000	2	17,500	33.33%	39,700	4.29%
21	19,001	-	20,000	2	17,500	33.33%	39,700	4.29%
22	20,001	-	21,000	2	17,500	33.33%	39,700	4.29%
23	21,001	-	22,000	2	17,500	33.33%	39,700	4.29%
24	22,001	-	23,000	2	17,500	33.33%	39,700	4.29%
25	23,001	-	24,000	2	17,500	33.33%	39,700	4.29%
26	24,001	-	25,000	1	25,000	44.44%	64,700	6.99%
27	25,001	-	26,000	1	25,000	44.44%	64,700	6.99%
28	26,001	-	27,000	1	25,000	44.44%	64,700	6.99%
29	27,001	-	28,000	1	25,000	44.44%	64,700	6.99%
30	28,001	-	29,000	1	25,000	44.44%	64,700	6.99%
31	29,001	-	30,000	1	25,000	44.44%	64,700	6.99%
32	30,001	-	31,000	1	25,000	44.44%	64,700	6.99%
33	31,001	-	32,000	1	25,000	44.44%	64,700	6.99%
34	32,001	-	33,000	1	25,000	44.44%	64,700	6.99%
35	33,001	-	34,000	1	25,000	44.44%	64,700	6.99%
36	34,001	-	35,000	1	25,000	44.44%	64,700	6.99%
37	35,001	-	36,000	1	25,000	44.44%	64,700	6.99%
38	36,001	-	37,000	1	25,000	44.44%	64,700	6.99%
39	37,001	-	38,000	1	25,000	44.44%	64,700	6.99%
40	38,001	-	39,000	1	25,000	44.44%	64,700	6.99%
41	39,001	-	40,000	1	25,000	44.44%	64,700	6.99%
42	40,001	-	41,000	1	25,000	44.44%	64,700	6.99%
43	41,001	-	42,000	1	25,000	44.44%	64,700	6.99%
44	42,001	-	43,000	1	25,000	44.44%	64,700	6.99%
45	43,001	-	44,000	1	25,000	44.44%	64,700	6.99%
46	44,001	-	45,000	1	25,000	44.44%	64,700	6.99%
47	45,001	-	46,000	1	25,000	44.44%	64,700	6.99%
48	46,001	-	47,000	1	25,000	44.44%	64,700	6.99%
49	47,001	-	48,000	1	25,000	44.44%	64,700	6.99%
50	48,001	-	49,000	1	25,000	44.44%	64,700	6.99%
51	49,001	-	50,000	1	25,000	44.44%	64,700	6.99%
52	50,001	-	51,000	1	25,000	44.44%	64,700	6.99%
53	51,001	-	52,000	1	25,000	44.44%	64,700	6.99%
54	52,001	-	53,000	1	25,000	44.44%	64,700	6.99%

New River Utility Company
Test Year Ended December 31, 2011
Bill Count

Exhibit: RLJ-RB-1
Schedule H-5 Rebuttal
Witness: Jones

Meter Size: 2" (Hand Billed)
Rate Code: R5

		Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
Rate Tiers				Base Charge:	\$ 60.00	\$ 88.00
Tier One Breakover (M gal):	12	-		Tier One Rate:	\$ 1.20	\$ -
Tier Two Breakover (M gal):	18	72		Tier Two Rate:	\$ 1.40	\$ 2.10
Tier Three Breakover (M gal):	999,999	999,999		Tier Three Rate:	\$ 1.60	\$ 2.88

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
55	53,001 - 54,000				4	44.44%	64,700	6.99%
56	54,001 - 55,000				4	44.44%	64,700	6.99%
57	55,001 - 56,000				4	44.44%	64,700	6.99%
58	56,001 - 57,000				4	44.44%	64,700	6.99%
59	57,001 - 58,000				4	44.44%	64,700	6.99%
60	58,001 - 59,000				4	44.44%	64,700	6.99%
61	59,001 - 60,000				4	44.44%	64,700	6.99%
62	60,001 - 61,000				4	44.44%	64,700	6.99%
63	61,001 - 62,000				4	44.44%	64,700	6.99%
64	62,001 - 63,000				4	44.44%	64,700	6.99%
65	63,001 - 64,000				4	44.44%	64,700	6.99%
66	64,001 - 65,000				4	44.44%	64,700	6.99%
67	65,001 - 66,000				4	44.44%	64,700	6.99%
68	66,001 - 67,000				4	44.44%	64,700	6.99%
69	67,001 - 68,000				4	44.44%	64,700	6.99%
70	68,001 - 69,000				4	44.44%	64,700	6.99%
71	69,001 - 70,000				4	44.44%	64,700	6.99%
72	70,001 - 71,000				4	44.44%	64,700	6.99%
73	71,001 - 72,000				4	44.44%	64,700	6.99%
74	72,001 - 73,000				4	44.44%	64,700	6.99%
75	73,001 - 74,000				4	44.44%	64,700	6.99%
76	74,001 - 75,000				4	44.44%	64,700	6.99%
77	75,001 - 76,000				4	44.44%	64,700	6.99%
78	76,001 - 77,000				4	44.44%	64,700	6.99%
79	77,001 - 78,000				4	44.44%	64,700	6.99%
80	78,001 - 79,000				4	44.44%	64,700	6.99%
81	79,001 - 80,000				4	44.44%	64,700	6.99%
82	80,001 - 81,000				4	44.44%	64,700	6.99%
83	81,001 - 82,000				4	44.44%	64,700	6.99%
84	82,001 - 83,000				4	44.44%	64,700	6.99%
85	83,001 - 84,000				4	44.44%	64,700	6.99%
86	84,001 - 85,000				4	44.44%	64,700	6.99%
87	85,001 - 86,000				4	44.44%	64,700	6.99%
88	86,001 - 87,000				4	44.44%	64,700	6.99%
89	87,001 - 88,000				4	44.44%	64,700	6.99%
90	88,001 - 89,000				4	44.44%	64,700	6.99%
91	89,001 - 90,000				4	44.44%	64,700	6.99%
92	90,001 - 91,000				4	44.44%	64,700	6.99%
93	91,001 - 92,000				4	44.44%	64,700	6.99%
94	92,001 - 93,000				4	44.44%	64,700	6.99%
95	93,001 - 94,000				4	44.44%	64,700	6.99%
96	94,001 - 95,000				4	44.44%	64,700	6.99%
97	95,001 - 96,000				4	44.44%	64,700	6.99%
98	96,001 - 97,000				4	44.44%	64,700	6.99%
99	97,001 - 98,000				4	44.44%	64,700	6.99%
100	98,001 - 99,000	1	99,000	99,000	5	55.56%	163,700	17.68%
101	99,001 - 100,000				5	55.56%	163,700	17.68%
102	127,000 - 127,000	1	127,000	127,000	6	66.67%	290,700	31.39%
103	170,000 - 170,000	1	170,000	170,000	7	77.78%	460,700	49.75%
104	190,000 - 190,000	1	190,000	190,000	8	88.89%	650,700	70.26%
105	275,400 - 275,400	1	275,400	275,400	9	100.00%	926,100	100.00%
106								
107	Totals	9		926,100	9		926,100	
108								

New River Utility Company
 Test Year Ended December 31, 2011
 Bill Count

Exhibit: RLJ-RB-1
 Schedule H-5 Rebuttal
 Witness: Jones

Meter Size: 2" (Hand Billed)
 Rate Code: R5

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	12	-
Tier Two Breakover (M gal):	18	72
Tier Three Breakover (M gal):	999,999	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	\$ 60.00	\$ 88.00
Tier One Rate:	\$ 1.20	\$ -
Tier Two Rate:	\$ 1.40	\$ 2.10
Tier Three Rate:	\$ 1.60	\$ 2.88

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
109	Total Bills	9						
110								
111								
112	Average Number of Customers	1						
113								
114	Average Consumption (gallons)	102,900						
115								
116	Median Consumption (gallons)	62,000						
117								
118								
119								

	Current Rates		Proposed Rates	
	Units	Revenue	Units	Revenue
Base Charge	9	\$ 540	9	\$ 792
Usage (gallons)				
Tier One	100,700	\$ 121	-	\$ -
Tier Two	47,000	66	424,700	892
Tier Three	778,400	1,245	501,400	1,444
Usage Totals	926,100		926,100	
Revenue Totals		\$ 1,972		\$ 3,128

New River Utility Company
Test Year Ended December 31, 2011
Bill Count

Exhibit: RLJ-RB-1
Schedule H-5 Rebuttal
Witness: Jones

Meter Size: 3"
Rate Code: R6

Rate Tiers	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
			Base Charge: \$	120.00	\$ 176.00
Tier One Breakover (M gal):	12	-	Tier One Rate: \$	1.20	\$ -
Tier Two Breakover (M gal):	18	144	Tier Two Rate: \$	1.40	\$ 2.10
Tier Three Breakover (M gal):	999,999	999,999	Tier Three Rate: \$	1.60	\$ 2.88

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
1	- - -	17	-	-	17	34.69%	-	0.00%
2	1 - 1,000	2	1,000	2,000	19	38.78%	2,000	0.59%
3	1,001 - 2,000	7	2,000	14,000	26	53.06%	16,000	4.71%
4	2,001 - 3,000	3	3,000	9,000	29	59.18%	25,000	7.35%
5	3,001 - 4,000	-	-	-	29	59.18%	25,000	7.35%
6	4,001 - 5,000	-	-	-	29	59.18%	25,000	7.35%
7	5,001 - 6,000	-	-	-	29	59.18%	25,000	7.35%
8	6,001 - 7,000	1	7,000	7,000	30	61.22%	32,000	9.41%
9	7,001 - 8,000	-	-	-	30	61.22%	32,000	9.41%
10	8,001 - 9,000	-	-	-	30	61.22%	32,000	9.41%
11	9,001 - 10,000	1	10,000	10,000	31	63.27%	42,000	12.35%
12	10,001 - 11,000	1	11,000	11,000	32	65.31%	53,000	15.59%
13	11,001 - 12,000	-	-	-	32	65.31%	53,000	15.59%
14	12,001 - 13,000	3	13,000	39,000	35	71.43%	92,000	27.06%
15	13,001 - 14,000	-	-	-	35	71.43%	92,000	27.06%
16	14,001 - 15,000	2	15,000	30,000	37	75.51%	122,000	35.88%
17	15,001 - 16,000	2	16,000	32,000	39	79.59%	154,000	45.29%
18	16,001 - 17,000	4	17,000	68,000	43	87.76%	222,000	65.29%
19	17,001 - 18,000	2	18,000	36,000	45	91.84%	258,000	75.88%
20	18,001 - 19,000	1	19,000	19,000	46	93.88%	277,000	81.47%
21	19,001 - 20,000	1	20,000	20,000	47	95.92%	297,000	87.35%
22	20,001 - 21,000	1	21,000	21,000	48	97.96%	318,000	93.53%
23	21,001 - 22,000	1	22,000	22,000	49	100.00%	340,000	100.00%

Meter Size: 3"
Rate Code: R6

Rate Tiers	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
			Base Charge:	\$ 120.00	\$ 176.00
Tier One Breakover (M gal):	12	-	Tier One Rate:	\$ 1.20	\$ -
Tier Two Breakover (M gal):	18	144	Tier Two Rate:	\$ 1.40	\$ 2.10
Tier Three Breakover (M gal):	999,999	999,999	Tier Three Rate:	\$ 1.60	\$ 2.88

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
24								
25	Totals	49		340,000	49		340,000	
26								
27	Total Bills	49						
28								
29								
30	Average Number of Customers	4						
31								
32	Average Consumption (gallons)	6,939						
33								
34	Median Consumption (gallons)	1,786						
35								
36								
37								

	Current Rates		Proposed Rates	
	Units	Revenue	Units	Revenue
Base Charge	49	\$ 5,880	49	\$ 8,624
Usage (gallons)				
Tier One	257,000	\$ 308	-	\$ -
Tier Two	73,000	102	340,000	714
Tier Three	10,000	16	-	-
Usage Totals	340,000		340,000	
Revenue Totals		\$ 6,307		\$ 9,338

New River Utility Company
Test Year Ended December 31, 2011
Bill Count

Exhibit: RLJ-RB-1
Schedule H-5 Rebuttal
Witness: Jones

Meter Size: 3" (Hand Billed)
Rate Code: R6

Rate Tiers	Present Rates	Proposed Rates	Charges	
			Present Rates	Proposed Rates
			Base Charge: \$	120.00 \$
				176.00
Tier One Breakover (M gal):	12	-	Tier One Rate: \$	1.20 \$
Tier Two Breakover (M gal):	18	144	Tier Two Rate: \$	1.40 \$
Tier Three Breakover (M gal):	999,999	999,999	Tier Three Rate: \$	1.60 \$
				2.88

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
					No.	% of Total	Amount	% of Total
1	-	-	-	-	-	0.00%	-	0.00%
2	1	-	1,000	-	-	0.00%	-	0.00%
3	1,001	-	2,000	-	-	0.00%	-	0.00%
4	2,001	-	3,000	-	-	0.00%	-	0.00%
5	3,001	-	4,000	-	-	0.00%	-	0.00%
6	4,001	-	5,000	-	-	0.00%	-	0.00%
7	5,001	-	6,000	-	-	0.00%	-	0.00%
8	6,001	-	7,000	-	-	0.00%	-	0.00%
9	7,001	-	8,000	-	-	0.00%	-	0.00%
10	8,001	-	9,000	-	-	0.00%	-	0.00%
11	9,001	-	10,000	-	-	0.00%	-	0.00%
12	10,001	-	11,000	-	-	0.00%	-	0.00%
13	11,001	-	12,000	-	-	0.00%	-	0.00%
14	12,001	-	13,000	-	-	0.00%	-	0.00%
15	13,001	-	14,000	-	-	0.00%	-	0.00%
16	14,001	-	15,000	-	-	0.00%	-	0.00%
17	15,001	-	16,000	-	-	0.00%	-	0.00%
18	16,001	-	17,000	-	-	0.00%	-	0.00%
19	17,001	-	18,000	-	-	0.00%	-	0.00%
20	18,001	-	19,000	-	-	0.00%	-	0.00%
21	19,001	-	20,000	-	-	0.00%	-	0.00%
22	20,001	-	21,000	-	-	0.00%	-	0.00%
23	21,001	-	22,000	-	-	0.00%	-	0.00%
24	22,001	-	23,000	-	-	0.00%	-	0.00%
25	23,001	-	24,000	-	-	0.00%	-	0.00%
26	24,001	-	25,000	-	-	0.00%	-	0.00%
27	25,001	-	26,000	-	-	0.00%	-	0.00%
28	26,001	-	27,000	-	-	0.00%	-	0.00%
29	27,001	-	28,000	-	-	0.00%	-	0.00%
30	28,001	-	29,000	-	-	0.00%	-	0.00%
31	29,001	-	30,000	-	-	0.00%	-	0.00%
32	30,001	-	31,000	-	-	0.00%	-	0.00%
33	31,001	-	32,000	-	-	0.00%	-	0.00%
34	32,001	-	33,000	-	-	0.00%	-	0.00%
35	33,001	-	34,000	-	-	0.00%	-	0.00%
36	34,001	-	35,000	-	-	0.00%	-	0.00%
37	35,001	-	36,000	-	-	0.00%	-	0.00%
38	36,001	-	37,000	-	-	0.00%	-	0.00%
39	37,001	-	38,000	-	-	0.00%	-	0.00%
40	38,001	-	39,000	-	-	0.00%	-	0.00%
41	39,001	-	40,000	-	-	0.00%	-	0.00%
42	40,001	-	41,000	-	-	0.00%	-	0.00%
43	41,001	-	42,000	-	-	0.00%	-	0.00%
44	42,001	-	43,000	-	-	0.00%	-	0.00%
45	43,001	-	44,000	-	-	0.00%	-	0.00%
46	44,001	-	45,000	-	-	0.00%	-	0.00%
47	45,001	-	46,000	-	-	0.00%	-	0.00%
48	46,001	-	47,000	-	-	0.00%	-	0.00%
49	47,001	-	48,000	-	-	0.00%	-	0.00%
50	48,001	-	49,000	-	-	0.00%	-	0.00%
51	49,001	-	50,000	-	-	0.00%	-	0.00%
52	50,001	-	51,000	-	-	0.00%	-	0.00%
53	51,001	-	52,000	-	-	0.00%	-	0.00%
54	52,001	-	53,000	-	-	0.00%	-	0.00%

Meter Size: 3" (Hand Billed)
Rate Code: R6

Rate Tiers	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
			Base Charge:	\$ 120.00	\$ 176.00
Tier One Breakover (M gal):	12	-	Tier One Rate:	\$ 1.20	\$ -
Tier Two Breakover (M gal):	18	144	Tier Two Rate:	\$ 1.40	\$ 2.10
Tier Three Breakover (M gal):	999,999	999,999	Tier Three Rate:	\$ 1.60	\$ 2.88

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
					No.	% of Total	Amount	% of Total
55	53,001 - 54,000				-	0.00%	-	0.00%
56	54,001 - 55,000				-	0.00%	-	0.00%
57	55,001 - 56,000				-	0.00%	-	0.00%
58	56,001 - 57,000				-	0.00%	-	0.00%
59	57,001 - 58,000				-	0.00%	-	0.00%
60	58,001 - 59,000				-	0.00%	-	0.00%
61	59,001 - 60,000				-	0.00%	-	0.00%
62	60,001 - 61,000				-	0.00%	-	0.00%
63	61,001 - 62,000				-	0.00%	-	0.00%
64	62,001 - 63,000				-	0.00%	-	0.00%
65	63,001 - 64,000				-	0.00%	-	0.00%
66	64,001 - 65,000				-	0.00%	-	0.00%
67	65,001 - 66,000				-	0.00%	-	0.00%
68	66,001 - 67,000				-	0.00%	-	0.00%
69	67,001 - 68,000				-	0.00%	-	0.00%
70	68,001 - 69,000				-	0.00%	-	0.00%
71	69,001 - 70,000				-	0.00%	-	0.00%
72	70,001 - 71,000				-	0.00%	-	0.00%
73	71,001 - 72,000				-	0.00%	-	0.00%
74	72,001 - 73,000				-	0.00%	-	0.00%
75	73,001 - 74,000				-	0.00%	-	0.00%
76	74,001 - 75,000				-	0.00%	-	0.00%
77	75,001 - 76,000				-	0.00%	-	0.00%
78	76,001 - 77,000				-	0.00%	-	0.00%
79	77,001 - 78,000				-	0.00%	-	0.00%
80	78,001 - 79,000				-	0.00%	-	0.00%
81	79,001 - 80,000				-	0.00%	-	0.00%
82	80,001 - 81,000				-	0.00%	-	0.00%
83	81,001 - 82,000				-	0.00%	-	0.00%
84	82,001 - 83,000				-	0.00%	-	0.00%
85	83,001 - 84,000				-	0.00%	-	0.00%
86	84,001 - 85,000				-	0.00%	-	0.00%
87	85,001 - 86,000				-	0.00%	-	0.00%
88	86,001 - 87,000				-	0.00%	-	0.00%
89	87,001 - 88,000				-	0.00%	-	0.00%
90	88,001 - 89,000				-	0.00%	-	0.00%
91	89,001 - 90,000				-	0.00%	-	0.00%
92	90,001 - 91,000				-	0.00%	-	0.00%
93	91,001 - 92,000				-	0.00%	-	0.00%
94	92,001 - 93,000				-	0.00%	-	0.00%
95	93,001 - 94,000				-	0.00%	-	0.00%
96	94,001 - 95,000				-	0.00%	-	0.00%
97	95,001 - 96,000				-	0.00%	-	0.00%
98	96,001 - 97,000				-	0.00%	-	0.00%
99	97,001 - 98,000				-	0.00%	-	0.00%
100	98,001 - 99,000				-	0.00%	-	0.00%
101	99,001 - 100,000				-	0.00%	-	0.00%
102	102,800 - 102,800	2	102,800	205,600	2	8.33%	-	0.00%
103	131,100 - 131,100	2	131,100	262,200	4	16.67%	-	0.00%
104	141,400 - 141,400	2	141,400	282,800	6	25.00%	-	0.00%
105	154,600 - 154,600	2	154,600	309,200	8	33.33%	-	0.00%
106	175,600 - 175,600	2	175,600	351,200	10	41.67%	-	0.00%
107	206,000 - 206,000	2	206,000	412,000	12	50.00%	-	0.00%
108	248,350 - 248,350	2	248,350	496,700	14	58.33%	-	0.00%

Meter Size: 3" (Hand Billed)
Rate Code: R6

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	12	-
Tier Two Breakover (M gal):	18	144
Tier Three Breakover (M gal):	999,999	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	\$ 120.00	\$ 176.00
Tier One Rate:	\$ 1.20	\$ -
Tier Two Rate:	\$ 1.40	\$ 2.10
Tier Three Rate:	\$ 1.60	\$ 2.88

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
109	336,600 - 336,600	2	336,600	673,200	16	66.67%	-	0.00%
110	464,300 - 464,300	2	464,300	928,600	18	75.00%	-	0.00%
111	475,800 - 475,800	2	475,800	951,600	20	83.33%	-	0.00%
112	580,550 - 580,550	2	580,550	1,161,100	22	91.67%	-	0.00%
113	932,905 - 932,905	2	932,905	1,865,810	24	100.00%	7,900,010	100.00%
114								
115	Totals	24		7,900,010	24		7,900,010	
116								
117	Total Bills	24						

117	Total Bills	<u>24</u>			Current Rates		Proposed Rates	
118					Units	Revenue	Units	Revenue
119				Base Charge	24	\$ 2,880	24	\$ 4,224
120	Average Number of Customers	<u>2</u>						
121				<u>Usage (gallons)</u>				
122	Average Consumption (gallons)	<u>329,167</u>		Tier One	288,000	\$ 346	-	\$ -
123				Tier Two	144,000	202	3,342,600	7,019
124	Median Consumption (gallons)	<u>206,000</u>		Tier Three	<u>7,468,010</u>	11,949	<u>4,557,410</u>	13,125
125				Usage Totals	7,900,010		7,900,010	
126				Revenue Totals		<u>\$ 15,376</u>		<u>\$ 24,369</u>
127								

Usage (gallons)	Units	Revenue	Units	Revenue
Tier One	288,000	\$ 346	-	\$ -
Tier Two	144,000	202	3,342,600	7,019
Tier Three	7,468,010	11,949	4,557,410	13,125
Usage Totals	7,900,010		7,900,010	
Revenue Totals		\$ 15,376		\$ 24,369

New River Utility Company
Test Year Ended December 31, 2011
Bill Count

Exhibit: RLJ-RB-1
Schedule H-5 Rebuttal
Witness: Jones

Meter Size: 6"
Rate Code: R8

		Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
Rate Tiers				Base Charge:	\$ 375.00	\$ 550.00
Tier One Breakover (M gal):	12	-	-	Tier One Rate:	\$ 1.20	\$ -
Tier Two Breakover (M gal):	18	450	450	Tier Two Rate:	\$ 1.40	\$ 2.10
Tier Three Breakover (M gal):	999,999	999,999	999,999	Tier Three Rate:	\$ 1.60	\$ 2.88

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
1	-	-	-	-	-	0.00%	-	0.00%
2	1	-	1,000	-	-	0.00%	-	0.00%
3	1,001	-	2,000	-	-	0.00%	-	0.00%
4	2,001	-	3,000	-	-	0.00%	-	0.00%
5	3,001	-	4,000	-	-	0.00%	-	0.00%
6	4,001	-	5,000	-	-	0.00%	-	0.00%
7	5,001	-	6,000	-	-	0.00%	-	0.00%
8	6,001	-	7,000	-	-	0.00%	-	0.00%
9	7,001	-	8,000	-	-	0.00%	-	0.00%
10	8,001	-	9,000	-	-	0.00%	-	0.00%
11	9,001	-	10,000	-	-	0.00%	-	0.00%
12	10,001	-	11,000	-	-	0.00%	-	0.00%
13	11,001	-	12,000	-	-	0.00%	-	0.00%
14	12,001	-	13,000	-	-	0.00%	-	0.00%
15	13,001	-	14,000	-	-	0.00%	-	0.00%
16	14,001	-	15,000	-	-	0.00%	-	0.00%
17	15,001	-	16,000	-	-	0.00%	-	0.00%
18	16,001	-	17,000	-	-	0.00%	-	0.00%
19	17,001	-	18,000	-	-	0.00%	-	0.00%
20	18,001	-	19,000	-	-	0.00%	-	0.00%
21	19,001	-	20,000	-	-	0.00%	-	0.00%
22	20,001	-	21,000	-	-	0.00%	-	0.00%
23	21,001	-	22,000	-	-	0.00%	-	0.00%
24	22,001	-	23,000	-	-	0.00%	-	0.00%
25	23,001	-	24,000	-	-	0.00%	-	0.00%
26	24,001	-	25,000	-	-	0.00%	-	0.00%
27	25,001	-	26,000	-	-	0.00%	-	0.00%
28	26,001	-	27,000	-	-	0.00%	-	0.00%
29	27,001	-	28,000	-	-	0.00%	-	0.00%
30	28,001	-	29,000	-	-	0.00%	-	0.00%
31	29,001	-	30,000	-	-	0.00%	-	0.00%
32	30,001	-	31,000	-	-	0.00%	-	0.00%
33	31,001	-	32,000	-	-	0.00%	-	0.00%
34	32,001	-	33,000	-	-	0.00%	-	0.00%
35	33,001	-	34,000	-	-	0.00%	-	0.00%
36	34,001	-	35,000	-	-	0.00%	-	0.00%
37	35,001	-	36,000	-	-	0.00%	-	0.00%
38	36,001	-	37,000	-	-	0.00%	-	0.00%
39	37,001	-	38,000	-	-	0.00%	-	0.00%
40	38,001	-	39,000	-	-	0.00%	-	0.00%
41	39,001	-	40,000	-	-	0.00%	-	0.00%
42	40,001	-	41,000	-	-	0.00%	-	0.00%
43	41,001	-	42,000	-	-	0.00%	-	0.00%
44	42,001	-	43,000	-	-	0.00%	-	0.00%
45	43,001	-	44,000	-	-	0.00%	-	0.00%
46	44,001	-	45,000	-	-	0.00%	-	0.00%
47	45,001	-	46,000	-	-	0.00%	-	0.00%
48	46,001	-	47,000	-	-	0.00%	-	0.00%
49	47,001	-	48,000	-	-	0.00%	-	0.00%
50	48,001	-	49,000	-	-	0.00%	-	0.00%
51	49,001	-	50,000	-	-	0.00%	-	0.00%
52	50,001	-	51,000	-	-	0.00%	-	0.00%
53	51,001	-	52,000	-	-	0.00%	-	0.00%
54	52,001	-	53,000	-	-	0.00%	-	0.00%

Meter Size: 6"
Rate Code: R8

		Charges		Present Rates	Proposed Rates
Rate Tiers		Base Charge:		\$ 375.00	\$ 550.00
		Tier One Breakover (M gal):		12	-
		Tier Two Breakover (M gal):		18	450
		Tier Three Breakover (M gal):		999,999	999,999
		Tier One Rate:		\$ 1.20	\$ -
		Tier Two Rate:		\$ 1.40	\$ 2.10
		Tier Three Rate:		\$ 1.60	\$ 2.88

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
55	53,001 - 54,000	-	-	-	-	0.00%	-	0.00%
56	54,001 - 55,000	-	-	-	-	0.00%	-	0.00%
57	55,001 - 56,000	-	-	-	-	0.00%	-	0.00%
58	56,001 - 57,000	-	-	-	-	0.00%	-	0.00%
59	57,001 - 58,000	-	-	-	-	0.00%	-	0.00%
60	58,001 - 59,000	-	-	-	-	0.00%	-	0.00%
61	59,001 - 60,000	-	-	-	-	0.00%	-	0.00%
62	60,001 - 61,000	-	-	-	-	0.00%	-	0.00%
63	61,001 - 62,000	-	-	-	-	0.00%	-	0.00%
64	62,001 - 63,000	-	-	-	-	0.00%	-	0.00%
65	63,001 - 64,000	-	-	-	-	0.00%	-	0.00%
66	64,001 - 65,000	-	-	-	-	0.00%	-	0.00%
67	65,001 - 66,000	-	-	-	-	0.00%	-	0.00%
68	66,001 - 67,000	-	-	-	-	0.00%	-	0.00%
69	67,001 - 68,000	-	-	-	-	0.00%	-	0.00%
70	68,001 - 69,000	-	-	-	-	0.00%	-	0.00%
71	69,001 - 70,000	-	-	-	-	0.00%	-	0.00%
72	70,001 - 71,000	-	-	-	-	0.00%	-	0.00%
73	71,001 - 72,000	-	-	-	-	0.00%	-	0.00%
74	72,001 - 73,000	-	-	-	-	0.00%	-	0.00%
75	73,001 - 74,000	-	-	-	-	0.00%	-	0.00%
76	74,001 - 75,000	-	-	-	-	0.00%	-	0.00%
77	75,001 - 76,000	-	-	-	-	0.00%	-	0.00%
78	76,001 - 77,000	-	-	-	-	0.00%	-	0.00%
79	77,001 - 78,000	-	-	-	-	0.00%	-	0.00%
80	78,001 - 79,000	-	-	-	-	0.00%	-	0.00%
81	79,001 - 80,000	-	-	-	-	0.00%	-	0.00%
82	80,001 - 81,000	-	-	-	-	0.00%	-	0.00%
83	81,001 - 82,000	-	-	-	-	0.00%	-	0.00%
84	82,001 - 83,000	-	-	-	-	0.00%	-	0.00%
85	83,001 - 84,000	-	-	-	-	0.00%	-	0.00%
86	84,001 - 85,000	-	-	-	-	0.00%	-	0.00%
87	85,001 - 86,000	-	-	-	-	0.00%	-	0.00%
88	86,001 - 87,000	-	-	-	-	0.00%	-	0.00%
89	87,001 - 88,000	-	-	-	-	0.00%	-	0.00%
90	88,001 - 89,000	-	-	-	-	0.00%	-	0.00%
91	89,001 - 90,000	-	-	-	-	0.00%	-	0.00%
92	90,001 - 91,000	-	-	-	-	0.00%	-	0.00%
93	91,001 - 92,000	-	-	-	-	0.00%	-	0.00%
94	92,001 - 93,000	-	-	-	-	0.00%	-	0.00%
95	93,001 - 94,000	-	-	-	-	0.00%	-	0.00%
96	94,001 - 95,000	-	-	-	-	0.00%	-	0.00%
97	95,001 - 96,000	-	-	-	-	0.00%	-	0.00%
98	96,001 - 97,000	-	-	-	-	0.00%	-	0.00%
99	97,001 - 98,000	-	-	-	-	0.00%	-	0.00%
100	98,001 - 99,000	-	-	-	-	0.00%	-	0.00%
101	99,001 - 100,000	-	-	-	-	0.00%	-	0.00%
102	115,000 - 115,000	1	115,000	115,000	1	4.17%	115,000	3.26%
103	115,000 - 115,000	1	115,000	115,000	2	8.33%	230,000	6.52%
104	115,000 - 115,000	1	115,000	115,000	3	12.50%	345,000	9.79%
105	125,000 - 125,000	1	125,000	125,000	4	16.67%	470,000	13.33%
106	125,000 - 125,000	1	125,000	125,000	5	20.83%	595,000	16.88%
107	125,000 - 125,000	1	125,000	125,000	6	25.00%	720,000	20.43%
108	130,000 - 130,000	1	130,000	130,000	7	29.17%	850,000	24.11%

Meter Size: 6"
Rate Code: R8

Rate Tiers	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
			Base Charge:	\$ 375.00	\$ 550.00
Tier One Breakover (M gal):	12	-	Tier One Rate:	\$ 1.20	\$ -
Tier Two Breakover (M gal):	18	450	Tier Two Rate:	\$ 1.40	\$ 2.10
Tier Three Breakover (M gal):	999,999	999,999	Tier Three Rate:	\$ 1.60	\$ 2.88

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
109	130,000 - 130,000	1	130,000	130,000	8	33.33%	980,000	27.80%
110	130,000 - 130,000	1	130,000	130,000	9	37.50%	1,110,000	31.49%
111	130,000 - 130,000	1	130,000	130,000	10	41.67%	1,240,000	35.18%
112	135,000 - 135,000	1	135,000	135,000	11	45.83%	1,375,000	39.01%
113	140,000 - 140,000	1	140,000	140,000	12	50.00%	1,515,000	42.98%
114	140,000 - 140,000	1	140,000	140,000	13	54.17%	1,655,000	46.95%
115	145,000 - 145,000	1	145,000	145,000	14	58.33%	1,800,000	51.06%
116	145,000 - 145,000	1	145,000	145,000	15	62.50%	1,945,000	55.18%
117	155,000 - 155,000	1	155,000	155,000	16	66.67%	2,100,000	59.57%
118	160,000 - 160,000	1	160,000	160,000	17	70.83%	2,260,000	64.11%
119	170,000 - 170,000	1	170,000	170,000	18	75.00%	2,430,000	68.94%
120	170,000 - 170,000	1	170,000	170,000	19	79.17%	2,600,000	73.76%
121	175,000 - 175,000	1	175,000	175,000	20	83.33%	2,775,000	78.72%
122	180,000 - 180,000	1	180,000	180,000	21	87.50%	2,955,000	83.83%
123	185,000 - 185,000	1	185,000	185,000	22	91.67%	3,140,000	89.08%
124	185,000 - 185,000	1	185,000	185,000	23	95.83%	3,325,000	94.33%
125	200,000 - 200,000	1	200,000	200,000	24	100.00%	3,525,000	100.00%

126								
127	Totals	24		3,525,000	24		3,525,000	

128								
129	Total Bills	24						
130								
131								
132	Average Number of Customers	2			Base Charge	24	\$ 9,000	24 \$ 13,200
133								
134	Average Consumption (gallons)	146,875			Usage (gallons)			
135					Tier One	288,000	\$ 346	- \$ -
136	Median Consumption (gallons)	140,000			Tier Two	144,000	202	3,525,000 7,403
137					Tier Three	3,093,000	4,949	- -
138					Usage Totals	3,525,000		3,525,000
139					Revenue Totals		\$ 14,496	\$ 20,603

New River Utility Company
Test Year Ended December 31, 2011
Bill Count

Exhibit: RLJ-RB-1
Schedule H-5 Rebuttal
Witness: Jones

Meter Size: 8" (Hand Billed)
Rate Code: R9

Rate Tiers	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
			Base Charge:	\$ 750.00	\$ 1,100.00
Tier One Breakover (M gal):	12	-	Tier One Rate:	\$ 1.20	\$ -
Tier Two Breakover (M gal):	18	720	Tier Two Rate:	\$ 1.40	\$ 2.10
Tier Three Breakover (M gal):	999,999	999,999	Tier Three Rate:	\$ 1.60	\$ 2.88

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
1	- - -	24	-		24	100.00%	-	#DIV/0!
2	1 - 1,000				24	100.00%	-	#DIV/0!
3	1,001 - 2,000				24	100.00%	-	#DIV/0!
4	2,001 - 3,000				24	100.00%	-	#DIV/0!
5	3,001 - 4,000				24	100.00%	-	#DIV/0!
6	4,001 - 5,000				24	100.00%	-	#DIV/0!
7	5,001 - 6,000				24	100.00%	-	#DIV/0!
8	6,001 - 7,000				24	100.00%	-	#DIV/0!
9	7,001 - 8,000				24	100.00%	-	#DIV/0!
10	8,001 - 9,000				24	100.00%	-	#DIV/0!
11	9,001 - 10,000				24	100.00%	-	#DIV/0!
12	10,001 - 11,000				24	100.00%	-	#DIV/0!
13	11,001 - 12,000				24	100.00%	-	#DIV/0!
14	12,001 - 13,000				24	100.00%	-	#DIV/0!
15	13,001 - 14,000				24	100.00%	-	#DIV/0!
16	14,001 - 15,000				24	100.00%	-	#DIV/0!
17	15,001 - 16,000				24	100.00%	-	#DIV/0!
18	16,001 - 17,000				24	100.00%	-	#DIV/0!
19	17,001 - 18,000				24	100.00%	-	#DIV/0!
20	18,001 - 19,000				24	100.00%	-	#DIV/0!
21	19,001 - 20,000				24	100.00%	-	#DIV/0!
22	20,001 - 21,000				24	100.00%	-	#DIV/0!
23	21,001 - 22,000				24	100.00%	-	#DIV/0!
24	22,001 - 23,000				24	100.00%	-	#DIV/0!
25	23,001 - 24,000				24	100.00%	-	#DIV/0!
26	24,001 - 25,000				24	100.00%	-	#DIV/0!
27	25,001 - 26,000				24	100.00%	-	#DIV/0!
28	26,001 - 27,000				24	100.00%	-	#DIV/0!
29	27,001 - 28,000				24	100.00%	-	#DIV/0!
30	28,001 - 29,000				24	100.00%	-	#DIV/0!
31	29,001 - 30,000				24	100.00%	-	#DIV/0!
32	30,001 - 31,000				24	100.00%	-	#DIV/0!
33	31,001 - 32,000				24	100.00%	-	#DIV/0!
34	32,001 - 33,000				24	100.00%	-	#DIV/0!
35	33,001 - 34,000				24	100.00%	-	#DIV/0!
36	34,001 - 35,000				24	100.00%	-	#DIV/0!
37	35,001 - 36,000				24	100.00%	-	#DIV/0!
38	36,001 - 37,000				24	100.00%	-	#DIV/0!
39	37,001 - 38,000				24	100.00%	-	#DIV/0!
40	38,001 - 39,000				24	100.00%	-	#DIV/0!
41	39,001 - 40,000				24	100.00%	-	#DIV/0!
42	40,001 - 41,000				24	100.00%	-	#DIV/0!
43	41,001 - 42,000				24	100.00%	-	#DIV/0!
44	42,001 - 43,000				24	100.00%	-	#DIV/0!
45	43,001 - 44,000				24	100.00%	-	#DIV/0!
46	44,001 - 45,000				24	100.00%	-	#DIV/0!
47	45,001 - 46,000				24	100.00%	-	#DIV/0!
48	46,001 - 47,000				24	100.00%	-	#DIV/0!
49	47,001 - 48,000				24	100.00%	-	#DIV/0!
50	48,001 - 49,000				24	100.00%	-	#DIV/0!
51	49,001 - 50,000				24	100.00%	-	#DIV/0!
52	50,001 - 51,000				24	100.00%	-	#DIV/0!
53	51,001 - 52,000				24	100.00%	-	#DIV/0!
54	52,001 - 53,000				24	100.00%	-	#DIV/0!

New River Utility Company
Test Year Ended December 31, 2011
Bill Count

Exhibit: RLJ-RB-1
Schedule H-5 Rebuttal
Witness: Jones

Meter Size: 8" (Hand Billed)
Rate Code: R9

Rate Tiers	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
			Base Charge:	\$ 750.00	\$ 1,100.00
Tier One Breakover (M gal):	12	-	Tier One Rate:	\$ 1.20	\$ -
Tier Two Breakover (M gal):	18	720	Tier Two Rate:	\$ 1.40	\$ 2.10
Tier Three Breakover (M gal):	999,999	999,999	Tier Three Rate:	\$ 1.60	\$ 2.88

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
55	53,001 - 54,000				24	100.00%	-	#DIV/0!
56	54,001 - 55,000				24	100.00%	-	#DIV/0!
57	55,001 - 56,000				24	100.00%	-	#DIV/0!
58	56,001 - 57,000				24	100.00%	-	#DIV/0!
59	57,001 - 58,000				24	100.00%	-	#DIV/0!
60	58,001 - 59,000				24	100.00%	-	#DIV/0!
61	59,001 - 60,000				24	100.00%	-	#DIV/0!
62	60,001 - 61,000				24	100.00%	-	#DIV/0!
63	61,001 - 62,000				24	100.00%	-	#DIV/0!
64	62,001 - 63,000				24	100.00%	-	#DIV/0!
65	63,001 - 64,000				24	100.00%	-	#DIV/0!
66	64,001 - 65,000				24	100.00%	-	#DIV/0!
67	65,001 - 66,000				24	100.00%	-	#DIV/0!
68	66,001 - 67,000				24	100.00%	-	#DIV/0!
69	67,001 - 68,000				24	100.00%	-	#DIV/0!
70	68,001 - 69,000				24	100.00%	-	#DIV/0!
71	69,001 - 70,000				24	100.00%	-	#DIV/0!
72	70,001 - 71,000				24	100.00%	-	#DIV/0!
73	71,001 - 72,000				24	100.00%	-	#DIV/0!
74	72,001 - 73,000				24	100.00%	-	#DIV/0!
75	73,001 - 74,000				24	100.00%	-	#DIV/0!
76	74,001 - 75,000				24	100.00%	-	#DIV/0!
77	75,001 - 76,000				24	100.00%	-	#DIV/0!
78	76,001 - 77,000				24	100.00%	-	#DIV/0!
79	77,001 - 78,000				24	100.00%	-	#DIV/0!
80	78,001 - 79,000				24	100.00%	-	#DIV/0!
81	79,001 - 80,000				24	100.00%	-	#DIV/0!
82	80,001 - 81,000				24	100.00%	-	#DIV/0!
83	81,001 - 82,000				24	100.00%	-	#DIV/0!
84	82,001 - 83,000				24	100.00%	-	#DIV/0!
85	83,001 - 84,000				24	100.00%	-	#DIV/0!
86	84,001 - 85,000				24	100.00%	-	#DIV/0!
87	85,001 - 86,000				24	100.00%	-	#DIV/0!
88	86,001 - 87,000				24	100.00%	-	#DIV/0!
89	87,001 - 88,000				24	100.00%	-	#DIV/0!
90	88,001 - 89,000				24	100.00%	-	#DIV/0!
91	89,001 - 90,000				24	100.00%	-	#DIV/0!
92	90,001 - 91,000				24	100.00%	-	#DIV/0!
93	91,001 - 92,000				24	100.00%	-	#DIV/0!
94	92,001 - 93,000				24	100.00%	-	#DIV/0!
95	93,001 - 94,000				24	100.00%	-	#DIV/0!
96	94,001 - 95,000				24	100.00%	-	#DIV/0!
97	95,001 - 96,000				24	100.00%	-	#DIV/0!
98	96,001 - 97,000				24	100.00%	-	#DIV/0!
99	97,001 - 98,000				24	100.00%	-	#DIV/0!
100	98,001 - 99,000				24	100.00%	-	#DIV/0!
101	99,001 - 100,000				24	100.00%	-	#DIV/0!
102								
103	Totals	24		-	24		-	
104								
105	Total Bills	24						
106								
107								

	Current Rates		Proposed Rates	
	Units	Revenue	Units	Revenue
Base Charge	24	\$ 18,000	24	\$ 26,400

New River Utility Company
Test Year Ended December 31, 2011
Bill Count

Exhibit: RLI-RB-1
Schedule H-5 Rebuttal
Witness: Jones

Meter Size: 8" (Hand Billed)
Rate Code: R9

	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
Base Charge:			\$	750.00	\$ 1,100.00
Tier One Breakover (M gal):	12	-	Tier One Rate: \$	1.20	\$ -
Tier Two Breakover (M gal):	18	720	Tier Two Rate: \$	1.40	\$ 2.10
Tier Three Breakover (M gal):	999,999	999,999	Tier Three Rate: \$	1.60	\$ 2.88

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
108	Average Number of Customers		2					
109								
110	Average Consumption (gallons)		-					
111								
112	Median Consumption (gallons)		-					
113								
114								
115								

<u>Usage (gallons)</u>			
Tier One	-	\$	-
Tier Two	-	-	-
Tier Three	-	-	-
Usage Totals	-		-
Revenue Totals		\$ 18,000	\$ 26,400

EXHIBIT RLJ-RB-2

Arizona Coating Applicators, Inc.

ARIZONA LICENSE
#082593 #082594
CALIFORNIA LICENSE
#640702
NEVADA LICENSE
#45764 #45816
NACE INSPECTOR
#3943

May 2, 2013

Proposal No: 13-019

New River Utilities
7839 W. Deer Valley Rd.
Peoria, AZ 85382
(623) 561-1848
(623) 561-5831 fax

Description: (1) 106' x 16' Existing Water Tank
Built 1997
Painted by Rash Tank Painting in 1997

Attn: Bob Fletcher

Documents Revd: Verbal - Bob

Arizona Coating Applicators, Inc. is pleased to submit the following Proposal. Subject to the Terms and Conditions hereinafter stated and the Scope of Work included herein is as described by the above mentioned documents only and as set forth:

Interior: ANSI/AWWA D102-11 Interior Paint System No. 1 as modified
SSPC SP-10 (New white blast cleaning) plus two (2) coats Carboline 61 epoxy 8.0 to 12.0 mils.

Exterior: Pressure wash complete, spot repair bare, rusted or failed coating areas per SSPC SP-2 (hand-cleaning) or SSPC SP-3 (power tool cleaning). Spot prime areas with Carboline 61 3.0 to 5.0 mils. Apply one (1) coat Carboline 133HB 3.0 to 4.0 mils.

Disinfection per ANSI/AWWA C652-11:

Sec 4.3.2 Chlorination method 2 - A solution of 200mg/L available chlorine shall be applied directly to the surfaces of all parts of the storage facility that would be in contact with water when the storage facility is full to the overflow elevation.

Sec 4.3.2.1 Method of Application - The chlorine solution may be applied with suitable brushes or spray equipment.

Sec 4.3.2.2 Retention - The disinfected surfaces shall remain in contact with the strong chlorine solution for at least 30 minutes after which potable water shall be admitted, the drain piping purged of the 10mg/L chlorinated water and the storage facility then filled to its overflow level. Following this procedure and subject to satisfactory bacteriological testing and acceptable aesthetic quality, the water may be delivered to the distribution system.

Additional Conditions and Clarifications:

Good access required.

Quote valid for 90 days.

Tank must be empty and dry prior to start.

Price does not include tax; tax will be added if applicable.

Post Office Box 27425 • Phoenix, Arizona 85061-7425
(602) 263-9065 • FAX (602) 272-5114

Amount Quoted for this Proposal:

\$130,000.00

Arizona Coating Applicators, Inc. appreciates this opportunity to quote on your project requirements and we look forward to doing business with you and your company in the future.


Nick Androsiuk, President

Arizona
Coating Applicators